

The City Main Street Board has been trying to require businesses and building owners to obtain a Certificate of Appropriateness (COA) from them prior to making any improvements or changes to the exterior of their businesses/buildings. The requirements to receive a COA are not specific like an ordinance, and as such, it allows the Main Street Board to accept or deny the COA for purely arbitrary reasons or no reason at all. As expected, such arbitrary discretion has led to the City and the Main Street Board intentionally harming Downtown Canton property owners. Just one example is being submitted on the jump drive provided.

The conversation was recorded at a Main Street board meeting where Stacy Crossley stated that they were going to incentivize non-retail business to leave downtown.

These applications for COAs are “required” before the city will issue a permit to make the improvement(s). This issue can best be described in Exhibit “A,” which is a response letter concerning the COA for the reconstruction of the front wall of The Elliott Law Firm, PC, located at 131 E Tyler Street in Canton. After much discussion with the City Inspector, the owners were verbally given a “green tag” approving the completion of the project.

Since early 2022, through many Open Record Requests, numerous documents have been received from the city secretary. The requests were met with resistance and complaints were filed with the Texas Attorney General.

Well over a year from the completion of construction, the contractor, the electrician, and the building owner were written citations for alleged violations. The court appearance deadline was April 30, 2023. The citations are attached as Exhibit “B.”

Second, Expressions MedSpa, located at 237 S Trade Days Blvd Ste 1, Canton, TX 75103, had a comparable situation. Their COA was not approved by the Main Street Board, so they took it to the City Council to seek a different decision. Prior to the council meeting, a letter was provided to the council which is attached as Exhibit “C.” The council continued to deny the COA even though the sign complies with all city sign ordinances. Nevertheless, the city gave the business a permit for the specific sign that was requested in the application for the COA (Exhibit D”). The business complied with the permit and hung the sign.

This business then received a “Red Tag” indicating the City’s disapproval of the sign. Subsequently, citations were issued to individual building owners for the alleged sign violation. These citations are marked as Exhibit “E.”

These citations are just a few examples of why there is a fear of retaliation by the city concerning this correspondence. Other business owners that have expressed concern about the actions of the city concerning their own businesses and buildings fear the same result.

The Open Record Requests have revealed much about how the City Council Members and Board members receive preferential treatment. More importantly, much has been learned about the benefits received financially. I will address these potential legal violations below.

Main Street Minutes changed.

The Main Street Board, which serves under the purview of the City of Canton and receives funding from the City of Canton, met on March 10th, 2022. The original minutes are incorrectly marked February 9th (Exhibit “F”) rather than March 10th. At the meeting, the board considered the sign for MedSpa and declined the Certificate of Appropriateness because “the signage does not meet any of the Codes.” Subsequently, the minutes were changed and the statement that the sign did not meet any of the codes was removed (Exhibit “G”). Upon discovering that the minutes had been changed, an email was mailed to Stacy Crossley asking why. She simply responded by email, “The minutes on the website were uploaded prior to corrections.(Exhibit “H.”) Not surprisingly, the board appears to have stopped uploading the minutes prior to the following meeting after they changed the minutes for this meeting.

The Mayor

GRANTS

The building located at 147 S Buffalo St, Canton, TX 75103, where Latham Bakery is located is apparently owned by a Trust for which the mayor, Lou Ann Everett, has an interest. Numerous applications have been submitted to the Main Street Board and the Economic Development Corporation (EDC) by the mayor’s mother, Mattie Lou Gullett and Lou Ann Everett as her Power of Attorney (POA), or her renter/tenants’ requesting funds. It appears that most, if not all the requests have been granted. The following are just some of the more egregious:

1. On April 16, 2019, the city council met in closed session to consider the adoption of a resolution to approve and authorize a performance agreement between the Canton Economic Development Corporation and Latham Bakery. The meeting was attended by the mayor, Lou Ann Everett, and when declarations regarding conflicts were announced, she did not respond in the affirmative. The minutes are attached as Exhibit “I.” The city has failed to produce a signed incentive agreement with the Economic Development Corporation for this grant.
On September 13th, 2019, the Canton Economic Development Corporation sent a letter with a \$20,000 check to Latham Bakery to reimburse capital expenditures (i.e., building expenses). The agreement also required the EDC to pay rent subsidies to the mayor’s mother’s trust for \$7,500. Attached as Exhibit “J” is the letter from the Economic Development Corporation and a copy of the check.
2. On July 15th, 2022, a Main Street Board incentive program application by Maddie Lou Gullett through her power of attorney Lou Ann Everett was approved for \$2,000. The application was submitted with an invoice payable to Mike and Lou Ann Everett. The check was written to the mayor and her husband individually. Attached as Exhibit “K” is the application, agreement, invoices, and check.
3. Attached as Exhibit “L” Is the application, agreement, and invoice from January 2020 for another \$2,000 payment to Maddie Lou Gullett.

4. Attached as Exhibit “M” is the application, invoice, and agreement from August 2018 for another \$2,000.

As you are aware, the EDC must receive a City Council vote to spend their taxpayer dollars on grants. The council members are also unable to skirt the law when receiving money from the Main Street Board. Exhibit “N” is a copy of the check for the year 2022 from the EDC to the Main Street Board, along with the account information and supporting communications with the city secretary. This funding appears to have been provided to the Main Street Board from the EDC for years. Although this funding is not the only conflict for council members receiving grants, it is one of the easiest to document.

As previously stated, the mayor, her mother and/or her tenants have submitted many more applications that we believe should be investigated as illegal.

VEGAS VACATION

On April 20, 2022, city employee, Jayla Bray, purchased plane tickets for herself and the mayor to fly to Las Vegas for a flea market convention. This purchase was paid for on the city credit card. There is no evidence that the city approved the mayor receiving this ticket. Attached as Exhibit “O” is a copy of the credit card statement and documentation provided through open record requests evidencing the trip and that the mayor never provided any report of her trip to the council.

NO CONFLICT AFFIDAVITS

After learning of all the funds that had been paid to the mayor, her mother (or her trust), and her tenants/renters, the city was asked for copies of any conflict affidavits that may have been filed by any council member or the mayor. Attached as Exhibit “P” is the request and response. Only two have been provided, and they do not concern any of the complaints in this correspondence.

BALLOON FEST

After an open records request to the City resulted in a copy of a check for \$18,300 payable to “Cash,” written on July 6, 2022 (Exhibit “Q”), the city was asked to provide documents to substantiate where these City Taxpayer Funds went once the check was cashed. The attached email and documents (Exhibit “R”) were provided by the city secretary, Debra Johnson. As you can see, there is no evidence to support any expenditure for these funds. It is simply a spreadsheet created by the city and the minutes of the city council from August 31, 2021, approving the budget for the balloon fest. The money budgeted was for, among other things, propane \$2,500 and hotels \$6,600. No receipts have been provided for any balloon fest expenses. The minutes from the August 24, 2021, EDC Board meeting (Exhibit “S”), state that the balloon festival in 2021 resulted in over \$16,000 in proceeds and they were donated to the

Children's Miracle Network. There appears to be no evidence of any proceeds from the 2022 balloon fest.

MAYOR PRO TEM

Randon Sumner, the Mayor Pro Tem, is the owner of CTX Light Company, and the filed certificate of ownership is attached as exhibit "T." As previously shown, the Main Street Board receives funding from the EDC, and there are no conflict affidavits filed for any of the actions included in this correspondence. Attached as Exhibit "U" are Bills/Estimates from CTX Light Company to Canton Main Street and the checks provided through open record requests. There are at least three checks totaling \$11,938.75 payable to CTX Light Company. It is difficult to read the checks that have been provided by the city, so there may be more. There have been no documents indicating that there was a bidding process in 2022, when these checks were paid.

CHAMBER OF COMMERCE

Council member, Blake Fowler, is the manager of Fowler and Son Investment, LLC. (See Exhibit "V"). The corporation purchased the property located at 1040 S. Trade Days Blvd. on February 28, 2023. The house address number is not stated on the county appraisal district website, but the map view on the website makes it clear that the address is correct. Attached as Exhibit "W" is Canton Texas Chamber of Commerce location as listed on their website. Attached as Exhibit "X" is a copy of the Chamber of Commerce by-laws that used to be on their website. It indicates that, if any part of the net earnings of the organization inures to the benefit of its members, officers, board of directors, or other private person, it is a violation. At this time, there have been no requests for documents to provide you indicating a violation. However, it appears as though the Chamber is renting the property from one of its board members. There have also been no documents requested to specifically ascertain if there is funding from the City of Canton, EDC, or Main Street Board. Nevertheless, there are checks from the EDC to the Chamber of Commerce attached as Exhibit "Y."

CONCLUSION

The city council members and underlying board members are arbitrarily restricting business and building owners in the downtown area. At the same time, they are using city taxpayer funds to pay for themselves. This letter is long, but barely scratches the surface of the actions that have been taken by the City in its various capacities that are self-serving. More dreadful is the fact that this has been going on for years unchecked. The taxpayers need protection.