

MINUTES OF REGULAR MEETING

August 21, 2023

MONTGOMERY ECONOMIC DEVELOPMENT CORPORATION

CALL TO ORDER

Vice President Jeff Angelo called the meeting to order at 6:02 p.m.

Present: Jeff Angelo – Vice President
Carol Langley - Treasurer
Ryan Londeen - Secretary
Byron Sanford – Board Member
Dan Walker -Board Member

Absent: Wade Nelson – Board Member

Also Present: Dave McCorquodale, Assistant City Administrator
Diana Cooley, Deputy City Secretary

CALL TO ORDER

OPEN PUBLIC COMMENT

No public comments were made.

APPROVAL OF MINUTES

2. Update presentation of the McCown Streetscape Improvements Project.

Mr. Jim Patterson gave his presentation on the McCown Streetscape Improvements Project. Mr. Patterson showed a visual piece of the recommendation of the north portion. Mr. Patterson said they looked at maintaining full time access through McCown Street going northbound only and using Maiden Lane as a one-way southbound street. Mr. Patterson said one way to visualize it is to compare it to a city center in Houston where there is a pedestrian and car environment with nice paving and no curbs along the side with the main street running north/south through the city center which serves as a temporary pedestrian space but also accommodates cars going at a slow speed with a raised traffic table in place which presents itself as more of a parking lot environment than a street. Mr. Patterson showed where McCown Street would be a two-way street including improvements along private property as a preliminary design to see how it could all work someday and how it could all function as a pedestrian, festival space. Mr. Patterson said within the right of way and a little on the private property, this would accommodate what would be a raised deck including ramps and steps. Mr. Patterson said the raised deck is basically a raised platform. Mr. Patterson said there needs to be some type of traffic control and the traffic engineers looked at the plan and although they have not yet done detail design, they feel it is a viable approach especially at low speeds.

Mr. Patterson said they felt the advantages would be it maintains a simpler and easier to understand roadway pattern where people can continue to go northbound on McCown and have a one-way southbound on Maiden since it is a narrow street.

Ryan Londeen said the original scope was no one-way traffic along McCown Street as it was just for emergency vehicles only. Ryan Londeen asked if the one-way street from McCown Street up to Liberty Street was an add on that they had to account for the traffic flow or will that always be needed there. Mr. Patterson said no it would have a turnaround spot. Ryan Londeen said he liked the raised traffic table but there could be a safety conflict with the vehicles and pedestrians. Ryan Londeen asked how does one make sure kids are not playing in the street and a vehicle drives on it because he knows it is a street. Mr. Patterson said there are several ways to create awareness. Mr. Patterson said one way would be to create a change in the pavement and add elements such as planters and flowers along the way or maybe even adding railings. Byron Sanford said there are some cities at particular times of the day that close the area completely off and have their night time activities. Ryan Londeen said maybe it is something they close off unless the property owners are being difficult. Mr. Patterson said it does allow you to manage it the way you want to. Mr. Patterson said the only downside that might be from a traffic engineers perspective is that people would be getting used to it being one way and then causing confusion about what to do.

Ryan Londeen asked if the steakhouse owner is not interested to collaborate with them. Dave McCorquodale said the steakhouse owner is open to it.

Cheryl Fox asked how many parking spaces does this delete. Mr. Patterson said fifteen parking spaces. Cheryl Fox said it is a real concern to the businesses there as there is not much parking downtown. Mr. Patterson said during the Master Plan they learned there is more of a perception of a parking problem when they compare it to the distance we all walk to an HEB or something similar as parking is available. Mr. Patterson said when we go downtown we all expect to park very close to the place we are going.

Ryan Londeen asked if they are losing 15 parking spaces. Ryan Londeen said he does not like the idea of it because there is nothing down there in his opinion and he would rather go the other way.

Dan Walker asked if the steakhouse area is wide enough to facilitate a road through there. Mr. McCorquodale said for one way it would be. Mr. Patterson said it could even be two way if you did not have parking but you cannot have a two way street and parking.

Mr. McCorquodale said one of the challenges with the concept from the Master Plan of the parking on the north end, in the sketch shown currently there is a dead end parking lot without a turn around and that is part of what the traffic engineers were saying could be an issue.

Byron Sanford said the steakhouse owner is not a fan of the dumpster in the corner. Mr. Patterson said that will not be the future home of the dumpster.

Byron Sanford said it is his understanding the City has tried many times to repair McCown Street and asked what the solution is to properly repairing it. One of the traffic engineers said the area is recorded to see what the base and condition of the soil is and then they would create a proposal of what needs to be done and if

it is concrete pavement, exactly how thick it needs to be. Ryan Londeen said they will look under the pavement, see the condition of the soil, and know what to do.

Mr. Patterson said in regard to the material being used, they wanted to first make sure everyone agreed with the direction they were heading. Mr. Patterson said they would work with Mr. McCorquodale concerning recommendations for materials and look at options in which to provide pros and cons of each and cost implications for it. Mr. Patterson said all options will need to comply with city roadway design standards.

Mr. Patterson said in regard to the overall plan, it was mentioned maybe they do not want to allow traffic to go through there. Mr. Patterson said if they developed it the way it was shown then you have the ability to manage it the way you want to. Ryan Londeen said he is more open to it if they have an agreement with the steakhouse. Mr. Patterson said then your hands would not be tied. Mr. McCorquodale said the steakhouse owner did express a willingness to sell it to the City. Mr. McCorquodale said if they are going to reroute all of the traffic they want it to be a right of way. Mr. McCorquodale said it is fair to the owner because we do not want him to pay the property taxes on a city street. Mr. McCorquodale said they have not had conversations on this to be able to get into the details of it.

Mr. McCorquodale said with the City controlling 213 Prairie Street there is opportunity for on street parking with a dozen spots behind the steakhouse for parking and even if the property were to go back on the market it would behoove the City to create some on street parking on the west side of that lot. Byron Sanford said perhaps include parallel parking behind there and clean up the entire area which is very unattractive.

Mr. Patterson said what you have seen is a concept at this point. Mr. Patterson said they are ready to move ahead to detail design but they do not want to move forward until everyone is comfortable with the direction they are going.

Byron Sanford said for Beaumont and other cities at five o'clock and beyond is when most business is going to happen and that would be the time to be able to close that section off. Byron Sanford said creating an atmosphere is also a part of this plan and it makes no sense to him if they are still going to run traffic through that section. Mr. McCorquodale said to Byron Sanford's point they could take the materials and keep the design with the materials of the street on the southern end and be able to have more flexibility where it feels like an extension of that to give them the opportunity to close that down and test drive it a bit.

Ryan Londeen said they could shut that down during the wine festival and each street would get shut down. Mr. Patterson said it could be to still have the public right of way that covers almost the entire parking bay so you could do that and still have the freedom to manage it to be open to traffic or not since it would be the City's right of way.

Byron Sanford asked if the west part of McCown Street will need to be raised all the way across. Mr. Patterson said they are not raising the street and that the roadway stays relatively the same. Mr. Patterson said it is essentially a shared deck along those buildings.

Cheryl Fox asked what are they going to do from McCown Street to SH-105. Mr. McCorquodale said right

now that is out of the project scope but that would be the next step in whether there will be access all the way to SH-105 or do they want to close that off. Mr. McCorquodale said the Master Plan did propose closing it at SH-105 from John Butler south. Mr. McCorquodale said the primary goal was on SH-105 being able to have a right hand turn lane north on Liberty Street, but with the location of McCown Street there is no room without the access.

Byron Sanford said ideally if they could work the right of way on the SH-105 idea is where they might be able to pick up some spots. Byron Sanford asked if it is possible if it is closed off to have some more spots there.

Mr. Patterson said during the Master Plan they included a budget for all the different projects in the Master Plan and since then they have already experienced incredible construction market escalation and so is sure they will already be budget challenged. Mr. Patterson said originally in the Master Plan it did not include treatment of the pavement in this area.

Mr. McCorquodale said the assumption back then was this would get repaved with asphalt and put on hold long enough to see if they could pave it as part of this project but not try and repave the entire street but come back a year later when they would have the funding to do so. Byron Sanford said they would need to take this in three phases over three years. Mr. McCorquodale said there are some opportunities but they are not at the point if they really dug into it to figure out what they can afford. Mr. Patterson said in addition to pavement there will be storm drainage and raised traffic table issues in which they would coordinate with the drainage engineers to make sure that is accommodated.

Mr. McCorquodale said if the Board has an idea now certainly share it or if you want to wait and think on it and then follow up with him, he can relay the message.

Mr. Patterson answered additional questions relating to turning left on College Street.

Mr. McCorquodale asked if the Board has any direction or if they want to sleep on it and follow back up.

Jeff Angelo said no one is jumping at moving forward so maybe they should have a discussion and decide if they like this design or want to see additional changes.

Ryan Londeen said they added a through street which was somewhat there before which they already agreed on and now they have a turning lane on McCown Street. Ryan Londeen said the only thing different is less tables on McCown Street which is fine and less trees.

Jeff Angelo asked if they need to get a buy in from Wade before a decision is made. Mr. McCorquodale said Wade is open to it. Ryan Londeen said they should try and see where that conversation goes before they decide anything.

Byron Sanford said they should consider a phase I, II, and III and work with the busiest traffic area first which is around the steakhouse and solve that area first even if it means temporarily closing it down at certain times of the day. Byron Sanford said the other part of the plan is at least two or three years away.

Byron Sanford said if they were to focus on anything that would be it.

Jeff Angelo asked how will that affect the businesses where the plaza area is going to be and how will people get to those businesses. Byron Sanford said they would need to regulate it how they see fit.

Discussion continued regarding the plaza area, resurfacing, the right of way, and the timeline these phases would take. Ryan Londeen asked if they would be resurfacing everything with the project area. Mr. Patterson said that was the intent. Ryan Londeen said they would be separating it out in two phases with resurfacing in one phase and pedestrian parking in phase two so it would be more manageable from a fund standpoint. Byron Sanford said he is wanting to do resurfacing on the busiest part of town. Mr. Patterson said from the construction standpoint they could have two phases, but from the design phase no matter what they do, the drainage needs to begin before repaving. Ryan Londeen said they need to hear a recommendation as far as doing the parking area first. Jeff Angelo said they need to decide if they can get the go ahead to continue with the design phase. Mr. Patterson said whatever they draw they could do it in one, two or three phases.

Ms. Lori Sanquidulce with CSE Inc. said one concern with McCown Street is there is the bowl effect so when they go through and they redesign the drainage which has to tie into pavement design, it will elevate the roadway and is a reconstruction of the entire street. Ms. Sanquidulce said if you try to break it you will have tie in issues. Ryan Londeen asked if they can do it in phases. Lori said it would be more difficult because the drainage is in the middle. Ryan Londeen asked if they could see them putting this into two phases from a drainage perspective. Ms. Sanquidulce said as of right now no because it all drains south.

Ryan Londeen said he thinks they need to put this on pause until they see if there is any momentum in getting the right of way for the steakhouse and negotiate a deal with the steakhouse.

Mr. Patterson said he thinks it would help if they could tell them how they want traffic to go one way or the other and if they need to pause to reach a level of comfort in their decision that is fine. Ryan Londeen said they want the traffic to go east which was preferred and in the original plan.

Jeff Angelo said for the purpose of this visit they can pause it for now and get back to them with a decision. Mr. McCorquodale agreed and said to put the direction of the project on hold until the Board follows up.

CONSIDERATION AND POSSIBLE ACTION:

1. **Approval of meeting minutes for May 15, 2023.**

Motion to approve the May 15, 2023 meeting minutes was made by Ryan Londeen and seconded by Dan Walker. All in favor. (5-0)

3. **Review and discussion of the proposed FY 2023-2024 MEDC budget.**

Mr. McCorquodale presented the high points of the budget and reviewed line items separately.

Mr. McCorquodale said they are budgeting \$1.67 million which is a slight decrease from what they have budgeted this year. Mr. McCorquodale said in years past they exceeded what they budgeted by five or six percent so they are seeing a slowdown even though they do anticipate their budget number this year and they need to be more cautious than not especially with talk of a recession.

Mr. McCorquodale said regarding the percent change for category one on public infrastructure, the downtown development improvements \$29k is finishing out the contract. Mr. McCorquodale said the only thing spent out of that this year is the McCown Streetscape. Ryan Londeen asked where did that money go before. Mr. McCorquodale said it goes in the reserves. Ryan Londeen asked if there is a way to earmark in their reserves money set aside for downtown improvements. Mr. McCorquodale said they can and do not have to put in a separate account but put it in the reserves and earmark it.

Mr. McCorquodale said two years ago EDC elected to contribute \$200k toward capital projects so the year to date amount is \$133,333. Mr. McCorquodale said the money is not spent but is being transferred to the capital project fund.

Ryan Londeen asked what the \$40k in streets and sidewalks is budgeted for. Mr. McCorquodale said it would go toward a sidewalk project for a streetscape, to restructure a certain area, add planters, build a sidewalk for one block or to connect to a park.

Mr. McCorquodale said the total for public infrastructure is \$319k which is 27.3 percent of the total budget this year.

Mr. McCorquodale said for category two business and development this has sales tax reimbursements of \$250k. Mr. McCorquodale said the two MEDC participates in are Kroger 380 and across the street The Shoppes, including CVS and Chick-Fil-A.

Mr. McCorquodale said \$50k is there for the Downtown and Corridor Façade and Environmental Enhancement fund line item with the point being able to expand outside the downtown area. Mr. McCorquodale said 27.47% of the budget is going toward business and development.

Mr. McCorquodale said marketing and tourism account for 1.6% and there is no change to any of those items.

Mr. McCorquodale gave the breakdown for the \$275k transfer to the general fund. \$240,195k went toward personnel costs and that includes 33% which the MEDC has historically contributed to, and the City Administrator's total compensation which includes one-third of the benefits and health insurance. Mr. McCorquodale said the MEDC has not supported paying for the Finance Director in the past who is working on behalf of the EDC and the City Secretary who also works on behalf of the EDC with regards to the minutes and posting agendas.

Mr. McCorquodale said last year the EDC funded half of the events and park recreation position. Mr. McCorquodale said the new City Council does not want to move forward with any parks and recreation programming which leaves the EDC to contribute to the other half of the events position if everyone still

wants to have events. Mr. McCorquodale said Patricia Campuzano was hired to do all the City events, which was a part-time job. Mr. McCorquodale said the other half was proposed to Council last August for the parks to have events going on. Mr. McCorquodale said this spring Patricia hosted a mini camp at the community building. Carol Langley asked when did the discussion come up that the City wanted MEDC to pay 100% for this position. Mr. McCorquodale said Council said they did not want to do any more with parks and recreation because there was too much liability involved and it was around the time of the election. Mr. McCorquodale said Patricia will be able to plan for other new events. Carol Langley, Byron Sanford, and Jeff Angelo said they are not comfortable with funding Patricia's position 100% and that it does not make any sense. Dan Walker said this is a City employee that MEDC would be paying for. Jeff Angelo asked when did City Council elect to break away. Mr. McCorquodale said it was during a workshop when they stated they did not want to move forward with any parks and recreation programming because there is too much liability and risk involved.

Byron Sanford said the City does not need to be in the business of camps as there are plenty of camps (church camps, band camps) around the City. Byron Sanford said for a year they have tried to define what this position is. Byron Sanford said in his opinion there will be very few councilmembers that will be comfortable with that salary. Byron Sanford said there are certainly other administrative duties that position can do. Byron Sanford said they are expecting a lot of permit work and Patricia Campuzano has been brought on to administration rather than public works. Jeff Angelo said they agreed with funding a portion of the salary but not 100 percent. Ryan Londeen said he is sure they can reconfigure duties for this position.

Mr. McCorquodale said when they hire a full-time MEDC Director a third of the time of the City Administrator will not be spent on MEDC items. Mr. McCorquodale said part of what they will pay the MEDC Director is a third of the City's Administrator compensation out of the administrative transfer line item, but not all of it because the City Administrator will be supervising the MEDC Director.

Carol Langley asked what the salary range would be for the MEDC Director. McCorquodale said in the \$120-130k range with a salary of \$90-100k.

Mr. McCorquodale said in the past the MEDC has not had to pay for things such as the room they are meeting in now. Mr. McCorquodale said if the MEDC had to rent an executive suite it would involve costs for phones, technology, communication, and office supplies. Mr. McCorquodale said MEDC has also never had to pay for a portion of the audit. Mr. McCorquodale explained how the use of the facility space was calculated. Carol Langley said instead of \$275k they could decrease the amount to \$240k.

Byron Sanford said the potential is there if there was an EDC Director that some of the other compensation could go down and as they infuse the EDC Director then the City Secretary would not be needed as much and possibly the City Administrator. Ryan Londeen said some of the money from the City Administrator for recompensation would go toward the Director.

Mr. McCorquodale stated 28.7% of the budget is for administrative expenses and reviewed the amounts allocated for that. Ryan Londeen asked how much the sales tax consultant is. Mr. McCorquodale said \$16.8k. Ryan Londeen said the City has sales tax also so why does EDC have to pay for that bill. Mr.

McCorquodale said because the City's back is against the wall this year and they are asking EDC to fund it. Ryan Londeen asked if they are still comfortable paying \$175k every year on events if our back is against the wall. Mr. McCorquodale said there is no new revenue or tax rate and where there has been a lot of surplus in years past that is not the case now. Ryan Londeen said he is making the point of do they want to spend \$175k on events if the City cannot even pay for sales tax and the EDC has to fund the sales tax consulting services.

Ryan Londeen said he would like to know how much is reserved for each of the downtown agreement projects and how much they are setting aside each year so they are establishing their goals. Jeff Angelo said all of those projects are under the \$174k amount. Ryan Londeen said unless there is a reason they broke downtown development into four different categories, he would prefer to have it under one category which would be the fund dedicated to improving downtown.

Carol Langley asked when the budget needs to be approved. Mr. McCorquodale said at the September meeting.

Jeff Angelo said most of the events look like they will continue to happen and stay the same if it is determined they will continue to have them. Jeff Angelo said they need to adjust some figures in regard to the different events they have allocated funds to. Mr. McCorquodale said they budgeted \$141.5k total for the current year. Mr. McCorquodale said Patricia Campuzano has added to the existing budget. Mr. McCorquodale said there was more spent on the Christmas parade this year than what was budgeted. Ryan Londeen said he wants to be able to earmark the funds.

4. **Discussion of FY 2023-2024 event sponsorships.**

Mr. McCorquodale said he wanted to discuss the Festival Grant Guidelines which states it must be free admission and wonders how that works with the Music and Mudbugs and the Fall Festival because those are not free admission events. Mr. McCorquodale said this is written in the MEDC policy on the website. Mr. McCorquodale said the way he understands it is if the EDC is going to continue to sponsorship then it must be free admission. Dan Walker said he thinks this is a grant program which is expecting our money back. Carol Langley asked if they should remove the wording that festivals must be free events. Jeff Angelo said he thinks they should remove that statement. Dan Walker said he could see if it was an EDC sponsored event but these private events were not. Jeff Angelo said a tenure of that is it has to be in the EDC sponsor event like the Christmas Parade or the Street Dance. Jeff Angelo said maybe they fall into two different categories as one is more of a grant and the other is a sponsored event and maybe they should differentiate that. Byron Sanford said "festival" is problematic to begin with. Byron Sanford said he does not want to see the businesses downtown that are already struggling to have to deal with gates and blockades as there is no compensation for the businesses. Byron Sanford said he was told the word festival implies entry gates and that is why they put up the fences. Byron Sanford said he highly recommends as a City to not venture to put up gates and fences but to leave downtown open. Byron said maybe use the word "event" instead of festival. Byron Sanford said there are other places besides downtown they could work a deal but it is problematic when they are already squeezed on space and now to restrict that space. Ryan Londeen said as long as the event is sponsored by MEDC they can control if there are gates or not. Jeff Angelo said if it is an MEDC sponsored event it is free to all but they will still have the ability to grant for area events where it does not negatively impact the downtown businesses.

Mr. McCorquodale said he is going to check and see if the EDC has adopted a festival grant policy, but looking at the website it does look like that is the case. Mr. McCorquodale said someone used the words MEDC Festival Grant Program. Byron Sanford said it sounds like it was not officially done.

Mr. McCorquodale said he is going to show them what they have budgeted in years past and give a year to date amount. Mr. McCorquodale said he will be getting a list from Patricia Campuzano and have her attend the next meeting to discuss some of the events and budget increases.

Byron Sanford said in looking at all the numbers each event has had some merit in the past and he would be in favor of all of them except for the Pet Parade. Byron Sanford said most of the numbers reflected in actuality were half of what was spent. Byron Sanford said he would like to be more realistic and decrease those amounts and apply the overage to something else. Ryan Londeen said under a single events category they need to have a more realistic number and have a separate number for the downtown revitalization. Jeff Angelo said have a single category for downtown revitalization and have all the events sorted out with the actual cost of each and then use the rest for the downtown revitalization. Ryan Londeen said the reserve will then be at a later date and split.

Carol Langley asked if the events they are going to budget for are going to be shown on the budget. Jeff Angelo said correct. Mr. McCorquodale said they will leave it at one exempt, one total number with a policy document that shows how they are breaking that down because if the Music and Mudbugs Festival should cancel and does not happen next year there is no need for MEDC to come back and amend the budget because now you will not be spending it but really want to spend it on a new event. Jeff Angelo said he thinks that is fine and they are not pigeonholing themselves into anything. Carol Langley said the public wants to know what EDC is spending their money on and this budget according to Maryann will not have that listed. Carol Langley asked Mr. McCorquodale about the document the public would be able to see. Mr. McCorquodale said they will have a document that can be added to the website for EDC budget and events but it is not part of the budget. Carol Langley said Maryann will have all the figures in her office but the public will never see that and as the budget is right now the public can see what they have spent. Mr. McCorquodale said he sees Carol Langley's point and will certainly have a conversation with MaryAnn and Gary. Carol Langley said it will not help because she has already had three conversations with them and this is the way they are going to do the budget. Carol Langley said she wants to make sure there is a document somewhere for the public to see if someone wants to know, for example what the quilt walk will cost and for that information to be available because the budget will not have it in there. Ryan Londeen said they will have an expenditures list. Jeff Angelo said ultimately it will show up on the report Carol Langley does regarding what was spent on a particular line item. A resident from the audience said it is a public image issue. The resident said he looked up the budget today and sees what is being done. The resident said when he looks at it tomorrow he will only see a line item. The resident said at least he has an idea that this is what the intent is to do. Jeff Angelo said it has never been an issue for them to move money from one line item to another. The resident said this is a public image issue. Jeff Angelo said he sees the intent from Gary's standpoint but also understands the public's view of this would not be so good.

Ryan Londeen asked if there is better way for the public to see this every month where they do not have to deal with voting on moving money from one event to another and where they can have one amount allocated to different events. Byron Sanford said it should not be that hard to get both things done but he will direct

staff to look into this because there are some very valid concerns that were expressed. Byron Sanford said public image does matter. Mr. McCorquodale said he knows there is a way to accomplish it for both, to follow best practices for budgeting but at the same time to ensure total transparency in the public knowing exactly where their tax dollars are going.

BOARD INQUIRY

No board inquiry at this time.

ADJOURNMENT

Motion by Ryan Londeen and seconded by Dan Walker to adjourn at 8:25 p.m. All in favor. (5-0)

Submitted by: _____
Diana Cooley, Deputy City Secretary

Date Approved: _____

Jeff Angelo, MEDC Vice-President