



Montgomery Economic Development Corporation  
Regular Meeting Minutes  
March 18, 2025 at 6:00 PM

**OPENING AGENDA**

**1. Call Meeting to Order.**

The Regular Meeting of Montgomery Economic Development Corporation was called to order by Jeff Angelo at 6:01 p.m. on March 18, 2025, at City Hall 101 Old Plantersville Rd. Montgomery, TX and live video streaming.

With the Board Members present a quorum was established.

Present: Jeff Angelo, President  
Arnette Easley, Vice President  
Carol Langley, Treasurer  
Ryan Londeen, Secretary (arrived at 6:05 p.m.)  
Wade Nelson, Commission Member  
Casey Olson, Commission Member  
Dan Walker, Commission Member

Absent:

**2. Pledge of Allegiance.**

President Angelo led the Pledge of Allegiance and Pledge of Allegiance to the Texas State Flag.

**PUBLIC FORUM**

No comments at this time.

**PRESENTATION**

**3. Presentation by BCS Capital Group on a proposed new multi-family and mixed-use commercial development on 32 acres, southeast of the intersection at CB Stewart Drive and Buffalo Springs Drive, and north of Eva Street.**

Mr. Jack Burgher, Principal with BCS Capital Group said regarding their latest plan, a lot has transpired over the last week. They had a meeting with City Council last week and it was clear the offsite drainage plan they originally intended to do is not going to be feasible. Their seller is worried about potential future implications. There is also potential for TCEQ to get involved and the time table associated with that does not work for them or their tenants. What they have is our latest plan. They have not had a chance for an architect to drill down the actual site, so this is a bit of a make shift plan that gives the big picture. The

32-acre reserve has not changed. However, we are now adding on site detention which will take up approximately six and a half to seven acres. They really will not know until they do the drainage study. They have a class A multi-family development for the back which they know from the very onset with the City has been a very sensitive subject, so what they have done is brought in the Morgan Group, which is the best in class, owner, operator of class A multi-family out of Houston. We put together renderings of actual product, both interior and exterior of what it would look like and it is a quality product. It is the best looking product in Montgomery today. A similar product that is nearby is on SH-105, the fine development built across from the lake. We can send that address to you. We have academy and that is the biggest carrot we have to offer, not only for the City and what it provides, but from a sales tax, ad valorem tax situation. We have Academy to go in the middle and we are planning to build some restaurants and retail next to it and then we plus or minus five pad sites out front. Those pad sites will be heavily restaurant focused. We have Texas Roadhouse who has pretty much negotiated down the road. We are doing a deal with Magnolia right now under construction and they will do this deal over that deal, but we have to move because they have a deal basically agreed to, it is not signed, but we can move them over here which is sales tax dollars to the City.

Mr. Jonathan White, L Squared Engineering said we did a presentation before with Council and Planning & Zoning, so he is just representing more on the engineering side of things. We engaged with the City to conduct the feasibility study which did earmark some infrastructure projects that would have to be done to be able to serve this development including waterline infrastructure. I do believe it gets rid of one public lift station in town which will be a benefit. I think ultimately, there will be a loop of redundancy through the heart of town which potentially helps with future developments. When Buffalo Springs and Home Depot were put in, Buffalo Springs was improved from SH-105 with concrete pavement. The feasibility study did require they would continue that roadway improvement all the way around the corner to the back end of the future multi-family site. All those costs are getting added to everything. BCS Capital asked the City Council for some assistance in terms of a reimbursement agreement and also thought it would be good to present to EDC to see if there is any potential interest the EDC would have for potentially helping with some assistance. What they are looking for is providing all the up front costs of all this infrastructure. President Angelo asked who is looking to do that? Mr. White said we are.

Mr. Burgher said the goal tonight is to share the overall vision, but then to really get into the nitty gritty on how this is a net benefit. I would like it to be an open forum to discuss. It is not totally black and white. At the end of the day, it is a give and take. We are asking the City and EDC to help participate in this so we can put this project on. If the project is not enticing or it is not incentivizing for the City, then we might as well pack our bags. The goal here is to say how do we create a situation where it is a true win-win and add benefit to the City, to the constituents, and allows us to finance to be able to do it. That is where we are. We prepared a one pager that are conceptual numbers. The reality is we are going to get reimbursed. What we are proposing is getting a typical 380, getting reimbursed through accretive dollars, accretive sales tax, and ad valorem taxes that our property produces specifically. We are going to front all the capital improvement dollars. The

accretive dollars, accretive sales, and ad valorem tax that are coming from those assets, from those tenants. We are asking for a rebate of a piece of that over time. We have done this with different cities. We did this in Magnolia. We own the 51 acres next to HEB across from the high school in Magnolia. They wanted Texas Roadhouse really bad. We could not get to the Texas Roadhouse deal because you have to go put in a little over a million dollars just for their pad side alone and the city came through and said we want to turn this area over here into restaurants. Because originally, we were just doing a self-storage concept and a couple other medical groups that produce zero sales tax and said we will help you. We will give you \$2.3 million because what that is going to do is get Texas Roadhouse and now you are going to get three other restaurants and we are going to get plus or minus \$20 million of sales tax that we would not have gotten otherwise.

Secretary Londeen asked what is the public infrastructure part, the \$2.7 million? What does it consist of? Mr. Burgher said if you flip the page over you will see the side related cost right now. You have Buffalo Springs, the linear utilities, the impact fee, and the wastewater impact fee. Another big cost to us at the end of the day for us as a developer, it is math. It is a return on cost and the denominator that we are solving for is a net investment return (IR) to our investor. If we cannot achieve a plus or minus net 20 percent internal rate of return (IRR) to our investors, we just cannot capitalize the project. What we are asking for is basically we need \$4 million of help from somewhere.

Board Member Walker said now you have lost six acres to detention which in the development world is terrible, but it is real. When you do multi-family compared to a hotels, what is your capital return? What is higher? Mr. Burgher said hotel would be higher. Board Member Walker said you are saying class A apartment complex. What does that mean? Mr. Burgher said all things equal, a hotel is going to pay you more. They will pay you 18 to 20 bucks, but there are 30 acres. A multi-family is 13 acres. If you look at carrying costs and how do we afford to do this deal and carry 32 acres, the ability to go sell off the far northern portion to a group that is ready to go today, and we have a really good relationship with the owners of the Morgan Group, that derisks our position and allows us to then be able to afford to do the Academy. Without multi, we cannot buy the deal. Board Member Walker asked are these HUD subsidized type apartments? Mr. Burgher said no. It will be the highest rents in the market.

Secretary Londeen asked why are they improving Buffalo Springs? Is that a recommendation from City Engineer Roznovsky? City Engineer Roznovsky said that was in the feasibility and that was based on essentially the City did the same thing with Home Depot, get the adjacent park completed. This was taking it up to CB Stewart. Secretary Londeen asked on the back end? City Engineer Roznovsky said correct. Taking it up to and through the CB Stewart intersection. Secretary Londeen asked would not most of the vehicular traffic come from SH-105? Is that because the multi-family goes all the way up to Stewart? City Engineer Roznovsky said correct. Secretary Londeen asked what about the other developments that would be coming in along that road in the future? City Engineer Roznovsky said their shares are only on Buffalo Springs, so CB Stewart

intersection, not CB Stewart itself. They have a water line extension that covers along SH-105 in Buffalo Springs. The main thing there is we are concerned with water flow on Buffalo Springs. It was already close. What Home Depot ended up doing was they connected to both Gardener and Buffalo Springs for their fire flow, so adding in 13 acres of apartments, plus Academy and all the rest, were to reserve that fire flow, closing that waterline loop to help with that flow. It was the City's stance in the past of trying to get these roadway improvements funded, willing to participate, and cost share, and reimburse those, but at least give some upfront capital and get some of these roadway improvements done on these projects. Secretary Londeen said there is undeveloped land on the other so what is triggering the water again? Is it the fire flow from the commercial buildings? City Engineer Roznovsky said correct. Secretary Londeen asked they are triggering the need? Home Depot did not trigger it? City Engineer Roznovsky said Home Depot already had a water line on each side. The Milestone Development who developed the Home Depot property put water and sewer along SH-105 up Buffalo Springs to their property line. They also did Gardner Drive. Home Depot did Buffalo Springs and everything, so that was all done as one master plan. This master plan development that is over this 32 acres is doing the same thing, so getting the utilities in that are adjacent to the property for them to connect to. You mentioned the church. The church is extending the water line along CB Stewart to get over to Buffalo Springs to connect to that. Secretary Londeen said so we are requesting them to do these things for the development and then they are asking to pass that along over to the EDC essentially. The EDC is basically paying for City infrastructure to support this development. City Engineer Roznovsky said at the second February meeting the feasibility study was presented to Council and we went through the options, then to a Memorandum of Understanding (MOU). At the last week's meeting, there was a draft MOU presented for discussion at the Council meeting that was just what are the general terms of the MOU and how a development agreement would look. Now it is here to give you all the update on the presentation of what the development is, gauge your interest, and participating in the reimbursement. What that looks like is to be determined. It is not an approval item tonight. There are still a lot of steps to go. There is a workshop scheduled for Monday night to specifically dive into the MOU based on comments received from the last meeting and then also input.

Board Member Olson said the other thing that needs to be clarified is if MEDC does decide to do that, it has to be voted upon by the public. When we make an agreement from the EDC, the City does not have to, but the EDC does. City Secretary Beaven said that is correct. It is a 60 day waiting period. Board Member Olson said if we choose to use tax rebate or whatever from EDC, it is a public issue.

Secretary Londeen said the detention looks massive. Mr. White said we are going to have to detain the TxDot criteria. Secretary Londeen said he thought we were draining it east, but it all drains to TxDot? Mr. White said from what we have attempted to try to do with our plan A, which was getting it above Home Depot and sliding above Kroger, there was not really enough room to slide it onto Mr. LeFevre's property without getting it into Rampy Lake. So, that going through the existing and then downstream to Stewart Creek

and some of the infrastructure that we were going to try to plan for, there were some concerns about potential other jurisdictions and some timelines that would have really impacted this overall development and getting that secured. Now we looked at this option about additionally controlling our own destiny, not relying on offsite easement and offsite improvements and potential other jurisdictions that could get in the way of that. Those are just going to be triggered by it. Doing detention on site, which partial can go to Buffalo Springs, the other part can go to SH-105, however, everything goes to SH-105 and so we are having to detain the TxDot area. There is a drainage area right here across over right by this driveway that goes here. There is one water shed here, and another water shed that comes underneath Buffalo Springs here by that culvert, and you have the concrete line ditch that goes here. Everything ultimately goes to Stewart Creek. One way or the other, it is just how it gets there. When we are impacting and going to TxDot, we do have to drain to their criteria, with their maps that were done a long time ago and have not updated Atlas 14. Secretary Londeen said even at 6.5, it is still huge, so I would assume this would go down quite a bit. Mr. White said it would be the hope, but TxDot does not have the most favorable criteria in my opinion. Secretary Londeen said you would shore all these numbers up before we come to any agreement, so I assume the pond would go down and the price of the pond and the land would probably go down, so we would revisit these numbers once you get your drainage plan approved and we can actually see the true size and cost. Mr. White said I think within a couple of weeks we could probably have the size locked down. There was a lot of topography that we did to show a little bit larger space of some transitional grading. We have one that basically serves the multi-family tract and the other serves the Academy site and then all the pad sites. We are all building retaining walls along the front to elevate everything about five or six feet from the corner of Buffalo Springs and SH-105 just to get stuff to drain backwards in the drain. Secretary Londeen asked so you want to drain stuff back to the pump? You can drain to the TxDot right-of-way. Mr. White said there is not enough to be able to do that. We are going to have to drain part of the access road that will bypass, but if I bypass too much, I cannot restrict it. Secretary Londeen said I always like to see the numbers whenever you put them together. I am okay with providing some assistance, but I want to make sure the numbers make sense. Mr. Burgher said getting paid back over time, there is time, value, money, opportunity cost, so we want to shrink our detention as much as possible. Secretary Londeen asked if we have done a previous 380 with Kroger? President Angelo said that is the only one. Secretary Londeen said that was through the City. Did the EDC do this? President Angelo said no, EDC has never been involved. Board Member Olson said the EDC can, but it has to be voted on by the public. It all ultimately runs through the City. We have to agree if we want to do a portion of that 380 to give up a percentage of our cut for MEDC. We would vote on that and say yes, and that would get presented to the public. They vote on it and actually approve it. Council would have to approve their part of it. City Attorney Villarreal said Board Member Olson, I think there is a correction there. It is not voted on by the public. The public can petition the expenditure there. It is published in the newspaper and then there is a public hearing on the matter. Then it goes to Council, but there has to be a 60-day waiting period where any member of the public can petition the expenditure and they can

petition for an election. You do not have to approve the original expenditure, just members of the public have the right to petition for that election. Board Member Walker said if they do, obviously you have to hold an election or a bond. City Attorney Villarreal said correct. Secretary Londeen asked how many petitions triggers an election? City Attorney Villarreal said he believes it is 10 percent, but I would have to verify. Mr. Burgher said for us, whether it comes from EDC or the City, that does not really matter. The reality is we have a \$4 million deficit. We have Academy, they are publicly traded, they are in growth mode, and are ready to go. They can get this approved in April. Board Member Olson asked is Academy committed? Do you have a signed commitment? Mr. Burgher said yes, we have an letter of intent (LOI). We have to finalize the cycle. We keep changing the field a little bit with the detention, but they are like sales projections, came back good. They want to be here. Our hope, and what we have heard from some people is that Montgomery is excited about Academy. We have a deal that we can have the thing under construction by the end of the year. If we can pull this all off the way we want to, produce roughly \$1.377 million and a treated property tax and sales tax. That is going to take a few years to get fully stabilized and that is in perpetuity. We are looking at year 16 over \$2 million a year. If you look at the payback wherever the money comes in, \$4 million that is a three payment. It is going to keep going up in sales tax. It is a really good risk return profile for the City. We have a deal where we can go today. This is all predicated on Academy and we have Roadhouse. Secretary Londeen asked will they be coming in with some type of anchor? Can this development move forward without Academy or an anchor of some sort?

Board Member Walker said this detention area really bothers me about the loss of revenue. I do not know the history, but your original plan was to go east with it. Is that an issue that we would have to look at? Mr. Burgher said there is. Board Member Olson said I think the issue is they want us to pay for that line all the way over there. Board Member Walker said taking six acres out of this makes the cost of the development go way up. Board Member Olson said I think it is actually the same. They use the same numbers basically. They were asking for \$4 million the other night, and they are asking for \$4 million tonight. Mr. Burgher said no, let me explain that. When you go offsite it is a little more expensive, but you get a lot more land back. We are going to the seller asking for a price reduction for this onsite detention too and the City loses as Board Member Walker alludes to that affect because we are losing seven acres. The top portion we were going to try to do a hotel, so I do not know what kind of sales tax is generated from that, but there is some I believe. The bottom section was going to be all retail, restaurants. Secretary Londeen said I still think those detention ponds are way too big. It is not going to be that big so I want to see the numbers later. Mr. White said I roughly based it about six acres is where we are thinking, including transitional grading. Secretary Londeen asked even with all the topography out there? Mr. White said we are subject to TxDot. Mr. Burgher said we are looking at a situation where owners own this piece of land since 2005 I believe. They have got a low basis. If we do not do the deal, fine. It is going to sit there and no retail developer is going to be able to make good numbers when it is sold today. Now that could change in a year, two years, but right now Academy maxes out what they max out and the multi-family maxes out where they max out. I am not saying this site will not be developed. It absolutely

will be developed. It is in our opinion the best commercial reserve in the City of Montgomery. We have a deal ready to go today with what we think is attractive with Academy, Texas Roadhouse, and class A multi-family in the back. We just need a little bit of help.

Vice President Easley asked City Engineer Roznovsky with this development, how would this affect our current well water situation? I know we had a problem in the past. City Engineer Roznovsky said it is still tight. The design of the waste water expansion is underway. The engineer was selected for the new water plant so that negotiation is underway. The City just submitted \$22 million worth of projects and they were to get to the Water Development Board for funding. Those were approved which was the first step. To do a private information form, they make sure it meets their criteria. It was approved and now it is in the full application process. The biggest driver here is obviously, the multi-family. It is tight. All of our projections are conservative, but we are at a point where we have to continue to push to build these facilities. The City has gone through a couple different rain analysis. We met the financial adviser and he has come back with some recommendations on different funding sources to build the plants. The City has the permitting mostly completed and then the design work is underway.

Board Member Olson asked how many linear feet did we run from SH-105 to the improvement we did? City Engineer Roznovsky asked for the roadway? Board Member Olson said yes. City Engineer Vu said about 1,100. Board Member Olson asked how far is it from there to where we want to go? City Engineer Vu said it is about another 1,300 feet from where Home Depot stopped through this eastern intersection. Board Member Olson said so it is about the same distance. City Engineer Vu said exactly. Board Member Olson said and we did that for right around \$850,000. City Engineer Roznovsky said the total cost of both I only have them combined. The actual final cost was \$1.4 million. I think the 380 agreement listed a maximum cap of \$2 million. It came in at roughly \$1.4 million with the signal and the roadway. If I remember correctly, Home Depot put up a \$750,000 contribution and then the remainder was reimbursed through sales tax through a 380 agreement. Board Member Olson said that is when I talk about a partnership, that is a partnership. They pay for some, we pay for some, everyone is happy. You are asking us to pay for it all and that is not a partnership. That is just us paying for it all. A percentage I am willing to do, but to just say "We will help you develop this on a taxpayer dollar," a 16-year payback, that is a long time to get back to where "okay we are square." We have to remember just like the roads that are out there, they are less than 20 years old and they are all shot and we have to rebuild them. If we are putting all our money back to you building the first time, we will have no money to rebuild them. Mr. Burgher said well you are going to have nothing if we die, so you are going to have zero times a hundred. Board Member Olson said at this point in time, I am not worried about Montgomery growing. Mr. Burgher said no, I understand that if we go today and we produce \$1.37 million accretive tax dollars coming in, then how is that 16 year payment? Board Member Olson said that is because we do not get a penny of it until we pay you back. Mr. Todd said it does not take 16 years at that rate. 1.3 in the first year does not take 16 to get to four. That is stabilized. As fast as

we can get this done, you guys get 1.4. That is just an example of what the City gets. When we are long gone and paid back, in 16 years you are getting \$2.5 million or \$2 million. Mr. Burgher said back to your point about some of the things we are doing. Some of the things we are doing is going to benefit tracks that are not ours. Board Member Olson said I agree. Mr. Burgher said Buffalo Springs, the waterline extension. Board Member Olson said it is no different than the road we built already for it. City Engineer Roznovsky said just remember the other tools that are in play that are already in the City's ordinances. When a developer puts in a water line, they are allowed to collect a pro rata share, that cost from those future properties developed. That is what coins in with what others have done. That is a tool in the toolbox to help pay back that cost. If the City decides to eliminate lift station 12 to go the additional 500 feet or so across the frontage, that would be a City cost. We would pro rata share that because that is not directly affecting them. For the roadway improvements, the way that it was initially thought was most of this commercial traffic is not heading north, it is heading on SH-105, but the apartments were. I said when the apartments go, the roadway goes. So if the Academy comes first, that roadway cost can be deferred until that impact is there on that entity. Mr. Burgher said another thing I will mention is that activity leads to activity and no doubt, we love the City of Montgomery. We love Montgomery County as a whole. We believe and we have heard that Montgomery County is going to double in size over the next eight years, so the growth is tremendous. We are based out of Houston, but we have four big projects in Montgomery County, with this hopefully being forth. Mr. Phillip LeFevre has 120 acres on the other side. The goal here is a big picture goal and that is deals and development leads to development, and the amount of residential growth that has not even come online yet. There is a 120 acre site there with a beautiful lake. It is going to be different users, but there is a big picture for us here too. I do not want to sit here and say that this is going to lead to that for sure, but those are discussions we are having. We have big visions here for Montgomery and we understand we are asking for a lot, but we do think the benefit to the City is a win-win.

Board Member Olson asked the reason that you decided not to go east is the timeline? Mr. White said this is still an open option. I am not going to say it is a completely closed door, but can we do it without triggering other requirements and that is where it is going to take a little time. I know we submitted a feasibility for the drainage study, but there are some things we have to do on our side to make sure we do not trigger something. We do not want to do that. That would cause a delay in the development. Board Member Olson said my opinion on this is whichever one of these is going to be the best deal. I know the acreage is a big deal for tax income. It is a big deal for you guys to be able to sell off that acreage and not cover it up with water, but also just the cost of it. If our costs are similar, which it looks like you tried to make them dissimilar, this is why when he sat down I said, "Ryan these palms are gigantic look at this please." I know what a 10 acre pasture looks like and if I cover 60 percent of it with water that is a ginormous pond. Mr. Burgher said we need to talk about this issue because it is better to go offsite all things equal, but now we are going to trigger TCEQ. City Engineer Roznovsky said just so we are clear, our comments on that were not you have to do this. We are just saying if you are impacting the pond, you have to follow the rules that are out there. We are not saying you have to go and do this



extra step that is not required, but if you are impacting, if there is a concern, it just needs to be looked at. Mr. White said our study is a high level study. If they are okay with it and design it, and then we trigger TCEQ. They have very clear rules. We talked about if you do this, you are going to trigger this need for dam safety. We may not know that until we get into designs. The last thing we want to do is get a trend report and we go into design and we have a survey and more information. We realize the design concept did not work. I have actually got to do this and I come back to him and say, I have to take six or seven acres out of your property. Mr. Burgher said Phillip called after the meeting and said I am worried. He said if I own 112 acres, I am worried TCEQ is going to get involved. Board Member Nelson asked are you all doing everything you can to avoid going to Rumpy Lake? Mr. Burgher said it is still an option. Board Member Nelson said obviously you do not want to go there if you do not have to because the dam structurally is probably not sound for attaining additional water. You do not want to trigger that if you do not have to. If you can go all TxDot that is perfect. Secretary Londeen asked could you just drain it? Mr. Burgher said that is where we are. It says the seller is like we are too concerned about that piece and that piece and get TCEQ. They said you have to figure out how to do it onsite. Board Member Nelson said there is a natural break on the tract. The north part goes to Rumpy and the rest of it goes to TxDot. Mr. White said Buffalo Springs comes down, but the original drainage study from a couple decades ago, everything gets to Stewart Creek, so that is what we are trying to mimic and update with current criteria. Board Member Walker asked is there anything making you have to go east? Mr. White said not having to take away six or seven acres. Without us knowing, there is obviously a thin timeline to make this work, so we have to explore a few options. We have submitted a drainage study. They are committing to spend more dollars with me to submit an alternate drainage study, and then we figure out which one is the option. This is worst case. The best case is the other one as long as it does not trigger certain things that could take longer. Mr. Burgher said our goal is to get warm and fuzzy with the City, EDC and say high level, we want to make this happen. We are going to close the site. We are going to close the speculative and we are going to be the owners. We feel like once we become the owners, conversations become easier. We are no longer having to have a third party involved and that is the goal. Our goal is to close April 15<sup>th</sup>.

Treasurer Langley asked Monday night City Council meets to do what? City Engineer Roznovsky said there is a workshop to review what do we have, what are the other deals structured, and is this in line with those other deals. From this group tonight, it is are you interested in participating? It is not a commitment. It is just for the quarter cent of sales tax that the MEDC keeps after you take out the Crime Control and Prevention District. President Angelo said which is half our budget. City Engineer Roznovsky said 100 percent. Is that on the table to consider? Obviously, it has to come back to all of you. Is that to consider or is it off the table, so when Council is considering this at the workshop, should that even be part of the consideration? President Angelo said we can talk about that. We are going to have to probably put together a special meeting. Maybe we can come to the meeting on Monday and see if we can get some traction in the meantime.

Secretary Londeen said I do not have confidence in the numbers, so I would not sign any agreement until those numbers are firmed up. I do have a big concern on the City in general. We do not have water and sewer, so what is the point of bringing in a big box store if we then have to turn development away in a year because we do not have money to pay for water and sewer? We need to make sure we continue to provide water and sewer to our existing citizens and do not try to pull in a bunch of stuff and make all these agreements if we cannot even pay for our basic infrastructure. The optics of paying for impact fees just looks kind of weird, that we are waving impact fees. Mr. Burgher said we are just showing all the cost. Secretary Londeen said we are in the same boat as the City of Magnolia and the City of Conroe with water wastewater and waving impact fees. It looks bad optically for a developer, so I am really concerned about that. I am not a huge fan of box stores, but these are nice amenities for the City and obviously great tax revenue for the City. I do want to have a partnership, as long as it makes sense and the numbers make sense. Over the long term, it makes great sense. In the short term, we have some pressure of timing and funding. We have a lot of growth coming in that the City is not able to keep up with from a fiscal standpoint, so it is sensitive. Board Member Olson said that is the exact same thing I told Home Depot. It is affordability over the short term. Mr. Burgher said we could look at restructuring the whole deal and basically frontload it to you guys and we get paid later. At the end of the day you look at return on time standpoint, so it is like if we need to pay the City back quicker, we get our percentage later, it is just a bigger number. Because it is a short-term problem, we can just redo the math. Board Member Olson said whichever deal makes the most sense. Secretary Londeen said in looking at those numbers and then looking at the agreement, it does not make sense. High level, yes. I think we are all in agreement that we want to partner with you if it makes sense for the City and the special circumstances we are in right now. Mr. Burgher said we do not have a box. I am one of the three owners and we are privately held. We do not have boards on us so we want to get as creative as we can with you guys. As you can tell, we are invested emotionally on this. We want to see this through. This is a big deal for us and our company. Board Member Olson said to Secretary Londeen's point about the numbers, property tax is one thing, those things are estimable, but when you do not have actual agreements with the other. Mr. Burgher said totally, and I get that. The Academy deal we got that directly from them, what they are expecting. Texas Roadhouse, their average unit volume now is \$8.5 million and we can all agree that Montgomery is probably going to beat their average unit volume. What we are going to focus on is getting sales tax driven concept, so Raising Cane's is in the market. Their average unit volume in Houston is \$5 million. Board Member Olson asked what about Retail Strategies who we hired to get the businesses that we talked about? President Angelo said we just had a meeting with them yesterday. They were not aware of this deal and I did not even know about this deal. We were preparing for ICSC coming up in May and really looking at target businesses that we wanted to approach. Raising Cane's is great and all the ones you mentioned are first class additions to the City. Board Member Olson said we sat down with them and I know you guys had meetings with them about the businesses that we would like to see them go after. President Angelo said the number one was a boutique hotel and so that is what we have been focused on. A boutique hotel is a

great addition and Academy is a great addition. Mr. Burgher said you know the best way to get a boutique hotel? We pull off this development. We have 110 acres of the lake and that becomes more of a mixed use project with medical office buildings and hotels. President Angelo said we want people actually working in the City and that is not what is happening. Board Member Nelson said that is what is lacking. There is no labor force. President Angelo agreed and said that is why the boutique hotel makes sense and especially from a hospitality standpoint, but also like you said, putting some medical facilities in and other things like that. I am not a huge fan of the multi-development site, it is just that we are overbuilt in that area a little bit. Board Member Walker said that is their money guy though. Mr. Burgher said that is like the good with the bad. The multi makes it feel good. The worst piece sits behind everything. You cannot do retail back there as it is too deep. Board Member Nelson asked can they get creative though with not the traditional 15 acre multi-family, but 400 units? Mr. Burgher said they will. President Angelo asked who is they? Mr. Burgher said The Morgan Group. They are based in Houston. Board Member Nelson said something that Jack was talking about earlier was a project that is at Pine Lake and SH-105. It is on the hill above the lake. It is a good looking project. President Angelo said yes, I think having something a little bit more aesthetically appealing. Mr. Burgher said it is going to be the highest rent by far, so the people that are going to be living there are going to have to be able to afford it. It is going to be high end.

Board Member Nelson asked so Phillip is involved in all this, but what is his take on Texas Roadhouse coming to town because that 100 percent impacts his restaurant here? Mr. Burgher said he does not care. He said they are either going right there a mile away or they are going here. Mr. Burgher said Phillip said they are going to be here whether they are a mile away or not. He says too, they are different. I do not know what the plan is at Ransom's long term. He is moving. Board Member Nelson said yes, he is going to Anderson and is moving everything there. He sold his home, he wants to sell the restaurant, and he sold every piece of real estate he has.

President Angelo said thank you for presenting and we are excited about what you offer. These guys are very astute when it comes to the engineering side of things. I think it is important that we get some more perspective. We will talk amongst ourselves and see if we can figure out what we would need to make it feel comfortable.

President Angelo asked what about an entertainment venue like a Chicken N Pickle? Mr. Burgher said you mentioned Retail Strategies and we know those guys well. They work really well when the markets are small. This is not a small market. My background is in retail brokerage. I have represented national retailers for 15 years and we know all these guys. President Angelo said assuming you guys were to come in, you could link up our consultants with Retail Strategies and help find the right mixed use that would compliment Academy.

Board Member Olson asked can you present both options still with tighter numbers when you are here on Monday so we know which one is the best deal? Mr. Burgher said offsite yes. We would love to. Board Member Olson said he totally understands the loss of revenue

when you move six acres. I do think six acres is way too much for a pond, but even a loss of four acres is still a large deal. President Angelo said it is a mini Lake Conroe really when you think about it. It sounds like we have some wiggle room and we can work on that.

#### **REGULAR AGENDA**

**4. Consideration and possible action on the Regular Meeting Minutes of February 18, 2025.**

**Motion:** Treasurer Langley made a motion to approve the regular meeting minutes of February 18, 2025. Vice President Easley seconded the motion. Motion carried with all present voting in favor.

**5. Consideration and discussion on funding a Beer Garden & Wine Walk event to be held May 2-4, 2025.**

Special Events Coordinator Johnson said she met with Alison at Grace Point Homes and she would like to collaborate. I do not know that we have spoken before about a wine festival. I do not know that we could pull off a full-fledged wine festival with a short notice like this, but something like this in addition to the antique festival on the opposite side of the road is definitely doable. There is no budget for it, so we would have to go through the process of making that possible.

President Angelo asked Finance Director Carl do we not have a catch all event type budget thing happening? Finance Director Carl said that is part of the reason why we budget your event expenses as event expenses, and not individual events. There is a surplus in that for this exact type of thing. President Angelo said that is what I was thinking, so why do we need to go to Council for that? Board Member Olson said you do not. President Angelo said that is what I thought. Board Member Olson said this can be approved right here.

Treasurer Langley asked who is carrying the license for it? Special Events Coordinator Johnson said I will do a permit for it. It is an addition to the antique festival. Treasurer Langley asked if the antique festival is selling beer and wine? President Angelo said they are not. Special Events Coordinator Johnson said let us say Grace Point Homes will be hosting the beer garden, the whiskey bar, the cigar bar. Whoever is providing alcoholic beverages will have to have an off premise TABC license to cover them. If you go down the road to H Wines, they already have their TABC permit, so we start at Grace Point Homes and we go on down to H Wines and then to Rendy's. President Angelo asked does Grace Point Homes have an off premise license? Special Events Coordinator Johnson said no, they do not, but they have a great venue and a very inviting backyard. Board Member Nelson said we had a meeting about two months ago with Sarah Countryman and it was a collaborative meeting because Tom Cox, who is the owner of Grace Point wants to start rejuvenating festivals downtown and he is a big proponent of it. He is offering what we call the white house on Caroline, as a venue to kick this stuff off with the idea that it will grow bigger and get back to doing the wine fest which was a huge event and something that we should be capitalizing on. He is in the interim offering to provide his facilities to

do that, to get it kicked off in the short term with the idea that it would grow. Board Member Olson said the only permit that I see having to run through Council is going to be the special use permit for them to have because that property is not in our grid. If it is not listed in the chart, then it has to have a special use permit. Board Member Nelson asked from a private standpoint, can he not do it on his own? President Angelo said yes, he could do it on his own. Treasurer Langley said he could fund the whole thing on his own. Board Member Nelson asked so you are going to ask a guy that is providing the facilities to fund the whole thing? Board Member Walker said no, we are not. Treasurer Langley said if he needs a special use permit, it is going to take him too long. Board Member Nelson asked is it that important? Treasurer Langley said well it is an ordinance on the books. Board Member Nelson said then we will not do it this year again. Treasurer Langley said you can do it because you have people involved in it that know how to do things. Board Member Nelson said right. So let us let the guys that know how to do these things get the City out of the way. Treasurer Langle said no. You are not going to do that in my City. Board Member Nelson said no, ordinances stay involved. Treasurer Langley said you have really upset me. Board Member Nelson said so the City stays involved, the ordinances stay involved. Incentivize the people that want to help the City grow and the City to have festivals. Incentivize those people is all I am saying. President Angelo asked do we already have security for that event to the tune of around \$8,000? Special Events Coordinator Johnson said we will need additional security at Caroline, FM 149, and College. President Angelo asked Chief Solomon if that is correct. Chief Solomon said yes. Secretary Londeen said so we do not have a budget for this? Board Member Olson said yes we do. City Secretary Beaven asked Finance Director Carl you said that we had a cushion in that line item. Is there a \$6,000 cushion? Finance Director Carl said yes. City Secretary Beaven said okay because that is what this would mean. President Angelo said I do not think we should pay for musicians, for tables, chairs and that kind of thing. I would give them tables and chairs and whatever they want. I do not care about that, but I think security, maybe restroom facilities, are more citywide which is pretty much the bulk of the budget anyway. They need to have some skin in the game as well, plus they are making money off of the alcohol sales. Special Events Coordinator Johnson said not necessarily. If they bring someone in like Bar and Vines it will release them of that, but they would outsource that to probably Bar and Vines. President Angelo said because they do not have a permit for it. Special Events Coordinator Johnson said here is what I would ultimately like to do. Collaborate with as many local businesses as I can to bring in more of the wow factor so to speak. There are several breweries not too far from us. Get them involved. Get the wineries involved. President Angelo asked do we have time to market this and get the word out? Special Events Coordinator Johnson said the Antique Festival has its own audience. It may be a little less this year because it has been gone for two years. President Angelo said but it is still a lot of people though. It is one of the busiest weekends of the year for us. Board Member Walker said at one time it was pretty big. Special Events Coordinator Johnson said I think it has the potential. President Angelo said she sold out every booth. Special Events Coordinator Johnson said we pulled off six events when I got here in eight weeks, so I would imagine we could pull this one off. President Angelo said maybe we just offer

up to a certain amount to offset up to a certain amount like \$5,000 or something like that just to see if we can get some traction for it because if Grace Point is willing to put it up, this kind of stuff is definitely going to bring a different crowd. Special Events Coordinator Johnson said this is what your downtown people want. Board Member Nelson said the whole idea is to kick something off just to start. You hear from people constantly about why did Wine Fest leave? President Angelo said this is a chance to give us a taste of what the Wine Fest might feel like. Board Member Olson asked are you suggesting to do the security and restrooms up to \$4,000? President Angelo said yes. Board Member Olson said he is in agreement with that. The only thing I see this whole event would need is a special use permit and someone with an up to date TABC permit. President Angelo said he has one, but does not know if they want to use someone else outside like Bar and Vines. Special Events Coordinator Johnson said try not to limit it to just \$5,000 because there are other things. I have no budget for marketing or advertising. President Angelo asked if you ask for \$5,000 will they push forward? Board Member Nelson said I do not know, but I would imagine. Vice President Easley asked how much of that \$5,000 would be security? President Angelo said \$2,000. Special Events Coordinator Johnson said definitely. We already met with Joe on that. President Angelo said I think we have some budget to spend and we definitely need to start doing something. Special Events Coordinator Johnson said I know you did not think it was a good idea to hire bands, but sometimes these bands have their own audience. Board Member Walker said you hire bands because they have an audience. President Angelo said that is true. I am not saying that we do not hire them, but maybe Grace Point puts that money together and they can spend a thousand bucks on that. Board Member Nelson said I believe they generally get third party vendors in there correct? Special Events Coordinator Johnson said I do not know that we will for this. Alice and I just met on this last week. There is a possibility because I know some of the Masons want to collaborate with me on some events and do a grilling. There are a lot of different avenues we can look at. Board Member Nelson said for instance Krawfish Kai next door, they turn and serve drinks off the front porch. It is just beer and wine. Board Member Olson said but if you leave there it has to be taped and sealed.

Finance Director Carl said this is a non-budgeted event. At the beginning of the year, you may recall Dave had brought forward a list of events the previous events person had put together along with the estimate of what it was expected that the MEDC would spend for those events. As a result, there is a portion I am thinking is in the vicinity of \$10,000 for additional events that were not a part of that initial list. That gives you the ability to add something of this nature. If that is the case, it becomes a City event that is funded under the events line and it becomes an EDC event. I think what Board Member Olson is referring to is what you have done in the past with some events, like Mudbugs where you all have given the event organizer support for that. That comes out of that event line as well, but in that case you literally are pledging to pay for the security for that event so that is what he is going back to. There has to be a decision amongst you all as far as how you wish to proceed. Is this going to be an MEDC event that you are going to add and fund any component of that event, or is somebody else putting on the event and we are pledging to support them by way of security and restrooms? In any event, it is going to come out of

that events budget. There is a clear distinction on whether or not it is an MEDC event that is funded, or an event the MEDC supports. Board Member Nelson said it is no different than the Charlie Diggs scenario. Finance Director Carl said but that is different. The agreement with Mr. Diggs was to pay for the security and that agreement went a little bit further that there was additional proceeds. Board Member Walker said that was not a City function. We were just providing. Finance Director Carl said correct. The way that I understand what you all have done in the past is those type of events that you pledge to support, you do it for a period of three years and then at that point you are like, we got you off the ground, we got you started, and if you want to continue with it, go right ahead. President Angelo said that is correct. Finance Director Carl said but that is three years of support that you all get. President Angelo asked are we doing this for Grace Point or are we doing this for the City? Special Events Coordinator Johnson said I suggest that I do a special event permit. Each place fills out their own property use agreement. Everything will fall under the City's permit and this would be a partnership with Grace Point Homes and whoever else jumps in. President Angelo said this is an MEDC event. Secretary Londeen asked how much is it going to be? President Angelo said we are going to allocate whatever it takes up to \$6,000.

**Motion:** Board Member Olson made a motion to approve funding a Beer Garden and Wine Walk event to be held May 2-4, 2025 and MEDC to finance up to \$5,000. Board Member Walker seconded the motion. The motion carried with 5-Ayes and 1 Nay vote by Treasurer Langley. (5-1)

#### **6. Consideration and Possible action on the proposed marketing logo.**

President Angelo said on February 18th we had an agenda item consideration discussion of the proposed City marketing logo and official seal. Board Member Olson said it is not an official seal. It is a marketing seal. It is just a logo, not the seal. President Angelo asked do we have a seal? Board Member Olson said it is the corporate seal that is the official seal. This is just a logo from back in the day. President Angelo said okay that is more of an incorporated seal type that you get from the state. Special Events Coordinator Johnson said from what I understand, that is the only official approved logo for the City. Board Member Olson said the update from the Council meeting is none of them liked it. I actually proposed it, but I could not get a second. President Angelo said everybody on this board has seen the logo way in advance. Chief Solomon, City Secretary Beaven, Mayor Countryman, and Special Events Coordinator Johnson went through multiple iterations of it and everybody said that is great, let us move forward. And then it gets to Council and dies. Secretary Londeen said maybe you just need to coordinate with Mayor Countryman and Council Member Fox and see what they want. President Angelo said I did that. A logo is just a colorful branding tool. If we want to discuss this, the question is do we want to move forward with any kind of a marketing logo? Board Member Olson said Council was not against a marketing logo. They just did not like that one. Secretary Londeen said we like it. President Angelo asked what difference does it make if they like it or do not like it? Why is that important? Secretary Londeen said because they have to approve it. Secretary

Londeen said I suggest that it is going to have to be an individual effort. We are not going to be able to go back and forth. Someone is going to have to meet and just ask them. President Angelo asked what do they not like about it? Board Member Olson said the star in the middle of the state where it looked like we were the capital. Secretary Londeen said I think there is some confusion there because this is the only thing we approved. I listened to the Council meeting and there seemed to be some confusion. Board Member Olson said yes, because there were seven different ones in the packet. Special Events Coordinator Johnson said I did that because everything was talked about and discussed in MEDC. I wanted to give Council the book that showed them what we have now and then what they came up with. Secretary Londeen said I think it is too much information. Special Events Coordinator Johnson said I agree. President Angelo said we have three Council members present right now. What confused everybody and what can we do to unconfuse them? Treasurer Langley said there was way too many. President Angelo said it should have just been this one logo and that is it. Secretary Londeen said we need to send it back to City Council with the one logo that we approved and give them a chance to comment on it. President Angelo asked should we change something to make them feel better? Board Member Olson said to take the star off. Board Member Walker said because it looks like it is located in Austin. President Angelo asked would you rather move the star closer to Houston? Board Member Olson said I do not want the star there at all. President Angelo said okay, so just get rid of the star and make it Montgomery, Texas. Special Events Coordinator Johnson said it is not a logo that you are going to see on letter head. This is a logo I would like to have as a backdrop at the events that looks very nice, similar to the Texas flag. President Angelo said we have all of the original art. We can remove the star. We will change instead of saying City of Montgomery to just say Montgomery, Texas, Is that okay? Should it have a coma or no coma? Secretary Londeen said I think we maybe need to have a committee of EDC and the City to come up with what is going on because I like the logo, people do not like the logo, and no one is communicating, so we just need to get together. President Angelo said I think if you take the star out and put Montgomery Texas and resubmit it, we should do that. Special Events Coordinator Johnson said I think they want to see some options. President Angelo said I will do three different iterations of this logo. Secretary Londeen said you need to email them individually. President Angelo asked City Secretary Beaven if he can just send stuff out individually? City Secretary Beaven said I do not recommend it. President Angelo said we will table this and schedule a workshop. I will put together a small workshop with whoever has grievances about the logo and give them some different options.

**Motion:** Board Member Olson made a motion to table the proposed marketing logo. Board Member Walker seconded the motion. Motion carried with all present voting in favor.

## **7. Consideration and possible action on proposals for professional marketing logo.**

Special Events Coordinator Johnson said based on the previous event person and looking at the budget, it looks like just the bare necessities were budgeted for events. When I was hired, I was told there is a need to really increase the value of our events, try to draw more



people in, engage with other businesses downtown, and really get the word out. I can tell you from my experience living here all of my life for 30 years, I never knew there was a business district downtown until I started working here and I live in Magnolia. That is the case for a lot of other people. How do we share our story? Traditionally, the way you market your events is through Facebook marketing. Looking at over time, there is really not a lot of engagement going on. There needs to be a social media campaign or professional marketing services. I know events very well, I do marketing, and I know logos, but it has been four years since I have done this. Things have changed. I think to really up the standard of the events, and really focus on the downtown business, the economic development, and what you have coming to the City, I think if you go with a professional marketing and advertising company they can do everything. I would still send them all the information. They would do some reels, come out and video our signature events, and take new images over downtown which needs to be updated as well. With that, I could sell sponsorships to the signature events. Right now there is no return on investment for someone to come in and give me \$10,000 for the Christmas event. President Angelo said because we do not have anybody marketing these events substantially. Special Events Coordinator Johnson said no. Nicole does with public works and I send her the information about the events, but this is like a full-time position. Where I come from, you have an events person and I do some of the marketing too, but they have a communications and marketing department who does nothing but that. I can do it, I know a little bit about it, but I am not up to date on it and it is very time consuming. I went out and got three proposals. President Angelo said we have talked to all these companies and interviewed them, but because of the amount it is going to cost to get a marketing firm involved, we have to send it out for RFP and Council is the one that has to make that choice. Secretary Londeen said I think it is a good idea. I have always thought we needed to have professional marketing firms to support us so I am for it. Board Member Olson asked what is the proposed cost that you have come up with? President Angelo said it varies. It depends on which group you go with and what type of media they are offering. It is about \$40,000 to \$45,000 a year. Secretary Londeen said just like with engineering, we select the firm, and then we hash out the scope of what we want them to do. President Angelo said it depends on the scope. Special Events Coordinator Johnson said for this year when we do our budget, we can put it on the budget for the following year. President Angelo said we do not believe we are going to be able to pull it off before October anyway, so we are just getting the ball rolling so Council and you guys all approve pushing forward so that our fiscal budget for next year has it in there that we have a professional marketing service. Secretary Londeen said the first thing is to submit an RFP. City Secretary Beaven said that is my recommendation that we go through the process of beginning the RFP because then it is going to have to go to Council for two readings with the resolution. You are going to go through the RFP process, then you are going to come back and say okay we want to proceed and that is the next step. It is going to be a process. I do not see it being finished before the next budget which goes into effect October 1st and budget process begins here in the next month or two. Special Events Coordinator Johnson said we would also do some highlights of downtown businesses and feature them on our Facebook page. That is how everybody is marketing

their business nowadays. As a matter of fact, we have a workshop coming up of collaborating and teaching businesses how to do reels and Tik Tok. President Angelo said marketing is everything. If people do not know you are there, they do not know you are there, so we are going to try and get a professional services company to highlight certain businesses downtown that are having remarkable success and see if we can draw more people into the area. Special Events Coordinator Johnson said not only that, but it will be search engine optimization (SEO) local. If you ever put in Montgomery in your phone and it comes up Montgomery, Alabama that is because they have SEO local. They spend dollars to get that up there, so we will become Montgomery, Texas automatically.

Secretary Londeen asked do we have to go to City Council for the RFP or we do the RFP and then later, whenever we are doing contract negotiations, we go to the Council then, or unless we do the budget? City Attorney Villarreal said you solicit proposals first and then once a contractor is selected, then because the expenditure is over \$10,000, then it goes to Council. You do not have to do competitive bidding like we do with the engineering related items because there is an exception under state law for advertising. Board Member Olson said we can bid it like a normal bid that way. Secretary Londeen said we already have three bids, so we do not need to go out for RFPs. City Attorney Villarreal said no. City Secretary Beaven said we talked about this. According to our policy, anything over \$25,000 for a non-budgeted purchase in excess of \$10,000 has to go to Council. It is on page 28 of your packet. Board Member Olson said we do not have to do the seal bid part. We need Council's approval to spend this money, but basically if we want to pick one tonight, we can say this is what we want, present that to Council and say we just want you to approve the budget to hire these folks. President Angelo said that is better. We do not have to wait then. Secretary Londeen said so we do not have to go off RFPs. We just pick the ones that you all selected. City Secretary Beaven said there is a \$50,000 threshold in exclusion of the \$10,000 non-budget of the \$25,000 internal policy that we have, there is a \$50,000 threshold and two of these will hit that \$50,000 or more and we are looking at trying to do a budget of \$75,000 because there is going to be additional services we may want to pick up from them, so the overall year budget is going to be more than \$50,000. We have to go for sealed proposal because of a \$50,000 threshold. Finance Director Carl said unless as City Attorney Villarreal was saying, this is an exclusion? City Attorney Villarreal said it is an exclusion. Finance Director Carl said I was unaware marketing services are an exclusion, I know engineering is. So the \$50,000 piece will be excluded? City Attorney Villarreal said yes, you do not have to competitively bid this contract. City Secretary Beaven said so then we do not have to go to Council for approval. Board Member Olson said that is right. President Angelo said we know which one we want, so can we go ahead and let them know? Secretary Londeen said we do not know. I have not even looked at it. President Angelo said we want Design Digital. Board Member Olson asked did they present packets to you? President Angelo said yes. Board Member Olson said the full packets should have been here.

Special Events Coordinator Johnson said it was going to just be a discussion and possible action on the proposal. On Friday we were having a lot of issues with Municode meetings.

All the attachments were uploaded, but for some reason they did not get into the packet. City Secretary Beaven said the management program malfunctioned on Friday and the company themselves eventually after about 5 hours rebooted their servers and got us up and going. We are still having issues with it as of today, trying to process another agenda.

Special Events Coordinator Johnson said one thing that sets Zion apart from the other one is they can do app tracking so they will have real time. When we have an event we can send messages out. President Angelo said they are going to actually have mobility tracking to know how many people came into the City. They are going to send up drones and verify counts. Special Events Coordinator Johnson said that is something that would have to be discussed with the police department before because there are certain things you can and cannot do. City Attorney Villarreal said my recommendation is wait until the next Council meeting and that is when we make the expenditure and then it goes to Council the following meeting. President Angelo said I am confused. Board Member Olson said so what we would do is put an agenda item on Council for a \$75,000 budget adjustment for media. Special Events Coordinator Johnson said we do not need that much, maybe \$30,000. President Angelo said we do not need that much for this year. Board Member Olson said just get the budget amended so that way we can pick who we want. City Attorney Villarreal said and then anytime the MEDC spends over \$10,000, you have to follow statutory process. You have to publish in a newspaper and then you have to have a public hearing at the MEDC meeting, and then it goes to Council. There is a process because we are spending over \$10,000 of MEDC funds. If it was under \$10,000, we are fine, but we need Council approval because it is over \$10,000 and the state law says you have to do A, B, and C in order to spend the money. It is better if we just table this until next month. That way we can go ahead and select the contract and then approve the expenditure with the resolution, and then it will go to Council and have the public hearing as well. That could happen at the next meeting, but we would need to call the public hearing tonight for that.

Treasurer Langley asked is it in the budget now for \$75,000? Special Events Coordinator Johnson said no. President Angelo said we would just have to have to do a budget amendment to get a marketing services company. Special Events Coordinator Johnson said if I could just get a little bit of money for marketing and advertising to get me through until our next fiscal year starts in October, I would be fine with that. It would be nice to do some business with Community Impact. President Angelo said we need some marketing money to be able to do something. Finance Director Carl said when your budget was put together there was not a great deal of cushion put in your budget. Your social media and advertising line where you had \$3,400 that was budgeted, those items based on historically what you have been doing, which you referenced putting the post out on Facebook, Mailchimp, and the Bitly subscription. All of those type of things are in there, so there is not excess money to the extent you all were talking about. My understanding is these agreements are anywhere from \$3,500 to \$4,000 a month, so we do not have that in here. With that being said, under your consulting and professional service line, you may recall when that item was put into your budget, a portion of that included an EDC consultant and that was something the previous city administrator had been a proponent of when you all had

considered last year looking at an EDC Director. The idea was that there might be a progression towards an EDC consultant and that is different than your Retail Strategies agreements. Those Retail Strategies agreements are already budgeted here under that consulting and professional services. I do not know the exact number for you this evening on what that was for the EDC consultant. President Angelo said it is \$254,000. Finance Director Carl said I am talking about specifically the EDC consultant. The portion of that \$254,000 that was reserved is not on this sheet. It is somewhere else broken down. Board Member Olson said it is whatever we decided the wages were for that director. Finance Director Carl said this is a consulting type professional service so there is a line item that can come from. Again, this expenditure I realize you are talking about \$3,400 a month, however, cumulative for that service for the year far exceeds the \$10,000. President Angelo said we are just looking to get by until October's budget where we will allocate, assuming that everybody is in favor. Finance Director Carl said you do not want to end up in a situation where you are piece meal things together and at the end of the period we have exceeded the amount that we need to be aware of, so keep that in mind as you move forward on this. President Angelo asked would you say use a portion of that just for advertising and consulting services? We will spend well less than that. Finance Director Carl said this is a learning experience for me as well because my previous EDC, we did not go through that \$10,000 every time we were spending money. This is different for me, but if EDC is going to spend cumulatively \$10,000 in marketing services for this year, we would need to go through the process for the posting. City Attorney Villarreal said if it is under \$10,000, then you are fine. President Angelo said I think we would for sure get under \$10,000 and we could pull that from the consulting budget is what you are saying. Finance Director Carl said yes, because there was specifically money that was budgeted in there for that EDC consultant that I do not see on the horizon. President Angelo said we will get it on the next budget, but in the meantime, you have budgeted money to be able to go out and get some marketing support. Special Events Coordinator Johnson said I want to give you some pictures of downtown and have someone video and start telling our story of where we are and where we are going.

President Angelo stated no action taken.

**8. Consideration and possible action to reimburse Jeff Angelo for the branding kit development for a marketing logo in the amount of \$1,579.99.**

**Motion:** Treasurer Langley made a motion to reimburse Jeff Angelo for the branding kit development for a marketing logo in the amount of \$1,579.99. Board Member Olson seconded the motion. Motion carried with all present voting in favor.

**9. Discussion on Downtown Enhancement Project.**

Special Events Coordinator Johnson said the property the City owns beside the Nat Hart Davis Museum and REMAX, there is the possibility of maybe making that into a green walking space. I do not think it would cost a lot of money and we would have to get some bids for that, but I know the City and MEDC are working on some really big projects for

downtown. I was thinking maybe some low hanging fruit that the downtown businesses will see and appreciate so they know we are making something happen.

Secretary Londeen asked have you talked to the Farmers Market? President Angelo said we did and they never come back with anything, even though we met with them. Secretary Londeen said my idea was to potentially put some gravel down for parking and then let the people at the Farmers Market come and set up on weekends to fill in the space. President Angelo said the problem is they are way bigger than that. Board Member Walker said it is pretty small. Secretary Londeen said I do not want to turn it into a park because the original plan for this area was to put some historic buildings and make it like it was part of the downtown plan. I do not want to start investing in this if it does not really follow that plan and there is maybe some other long-term plans we have for that whole stretch there. I just do not see making it look nice, yes potentially, but I do not want to put a lot of money into it. President Angelo said I think we could do some clean up around the electronic sign. All that needs to be landscaped. Secretary Londeen said not any expensive hardscaping. Special Events Coordinator Johnson said it was just a suggestion because in talking with the downtown businesses, they are like we do not see anything. They want to see something. Secretary Londeen said we had a big sign that said City of Montgomery. Special Events Coordinator Johnson said honestly, I would be happy with this workshop reel, a little bit of advertising, and maybe put the spotlight on them. Board Member Nelson said I am in agreement. That is a gateway to the City. As much as I hate Jack in the Box on the opposite corner, you have to do something to create some kind of vibe. Secretary Londeen said on the downtown master plan we had this block scoped out to do something with it. It was like a community center with a sign and some buildings, but it was not solidified. Is that what we want to go after? We have been focusing on other parts of downtown land, this always took a back seat. The question is, do we want to also look at that? President Angelo said well now that we have the land. Board Member Nelson said I think it is probably the most visible out of everything we do. You do not have to make a park out of the whole thing, but maybe concentrate at the major corner with signage. Secretary Londeen said I do not know what the next step is. Maybe having an engineer or architect lay out the lot per the downtown plan. Board Member Olson said that is what I was looking for was the plan. It used to sit in here on the desk for two years it laid right there. Secretary Londeen said it had landscaping and some park benches. It had three buildings, like informational buildings, but it was schematic. We would need someone to come in, lay it out, and design it, which would be an architecture or engineering team. Board Member Nelson said I think some low impact stuff where you are not dictating the use, but at the same time, dressing up the corner for curb appeal and the monument signage to be a part of that. Secretary Londeen said the next step I think would be if we were interested in doing that, is sending out requests for proposals for an architecture and engineering team to give us a design. Board Member Olson said part of the downtown plan, the original one, was that parking lot that we did the engineering on already that was designed for 12 to 15 spots. Then there was a park area with the sign. President Angelo asked Code Enforcement Officer and Planning/Zoning Administrator Tilley did we not already get estimates on what all that would cost? Code Enforcement Officer and

Planning/Zoning Administrator Tilley asked for the signage? President Angelo said yes, for the monument signs and everything else. Code Enforcement Officer and Planning/Zoning Administrator Tilley said the Wayfinding signage. Secretary Londeen said it was not for that side. President Angelo asked who would we get to do that? Secretary Londeen said we hire someone to lay it out for us. You get an architect to laid it out, they get an engineer to help design it all, and they lay out the whole site. From there we would then decide if we want to build it or not. My concern is we are kind of going signage, McCown Street, and now we have this thing. Let us focus on McCown, focus on Merje, and get this stuff finished. President Angelo said I think there is a heart for the park, we just do not have the money yet. We definitely do not have the design. I think we need to take some baby steps. Secretary Londeen said I think we need to wait until we finish some of these other big projects that we started. Let us finish what we started and then when we come around, we will have a bigger sales revenue or income stream coming in. We can then focus on this as a mix. Vice President Easley said I think until then, we should utilize a market. Secretary Londeen said no one has been interested and we have already looked around. President Angelo said we tried. We met with him and we even showed him the city owned building about maybe taking a look at that, and nothing. I do not think he thinks that we are big enough or we do not have enough space. There is nowhere to park for other people. Secretary Londeen said we are open to ideas for leasing it out to somebody who would really be able to improve that space. We just do not have any good ideas. I was thinking food trucks, but there is confrontation about food trucks and then do you want that to be the interest of your City? President Angelo said no. Secretary Londeen said I do not know who else would use it, but I am open to ideas of what we can use in the short term. President Angelo said maybe we table it until we can figure out a better solution. I think you are right about needing something. We probably have a budget for blight. I would assume we could get some general landscaping done around that area. We just need a landscaper. A&A Plants does great work. Secretary Londeen said we can lay some gravel down and make a little walking path. President Angelo said just make sure it is not something that is literally set in stone. Let us do it before it gets too hot. Board Member Olson said the other thing is there is no water there. You have to put some irrigation in to keep it alive. President Angelo said you can put succulents in. They will last forever. Secretary Londeen said we just need to get an irrigation meter. A landscape guy can do irrigation. Our suggestion is get a landscaper and tell us what it would take to get irrigation and some plants. Code Enforcement Officer and Planning/Zoning Administrator Tilley said make sure that we stay completely within our property, out of the right-of-way. President Angelo said Special Events Coordinator Johnson, the idea would be to get a landscaper to give us a budget for it, cleaning it up some, and some thumbnail drawings. Let us push it for next month. Special Events Coordinator Johnson said I will try my best to do that. I appreciate what you guys have approved.

#### **10. Update and discussion on wayfinding signage.**

Code Enforcement Officer and Planning/Zoning Administrator Tilley said first thing on the update is I wanted to schedule the team's meeting, at least the steering team. I spoke

with Mr. Swantak with Merje. He is asking maybe Monday or Tuesday morning next week and if you are all available, I will schedule this.

Code Enforcement Officer and Planning/Zoning Administrator Tilley said the other part I shared was what the budget proposal was that Merje had submitted back in February. They broke down the cost of fabricating the signs, the installation of the signs, and separated them in different phases on pages 64 and 65. Board Member Olson asked why is phase one four times more than phase two? Secretary Londeen said this is the phasing we came up with. We did one small center phase and then one big phase. President Angelo said the reason it was more was because in the first phase they all needed to be a part of that one group. The second phase were kind of tertiary, and the third was out of bounds, we may not even complete that. Code Enforcement Officer and Planning/Zoning Administrator Tilley said this is from last year. Secretary Londeen said I have no idea what the phasing plans were. That is why we came up with our own plan. President Angelo said maybe what we need to do is go back and highlight the areas that we talked about. Code Enforcement Officer and Planning/Zoning Administrator Tilley asked are you talking about the meeting we had recently? President Angelo said yes. Code Enforcement Officer and Planning/Zoning Administrator Tilley said we do not have that in phases like this. This was just an example of what the cost was. President Angelo asked could we go back and look at these identifiers and phase it out the way we discussed doing it? Secretary Londeen asked why not just send them the two phases? We had two phases. Can we just send that back to Merje and say does this makes sense and can you give us a call for it? Code Enforcement Officer and Planning/Zoning Administrator Tilley said we can do that. President Angelo said let us do that. Code Enforcement Officer and Planning/Zoning Administrator Tilley said that was just an example so that you knew that last year they did phase the project out.

Code Enforcement Office and Planning/Zoning Administrator Tilley said for the next page, just for your reference, they had recommended contractors if we needed the list of who was going to be able to fabricate and install. Secretary Londeen said it will be a competitive bid. City Engineer Roznovsky said it will be publicly advertised in the paper for two consecutive weeks and there will be a preview meeting to open sealed bids. It is in Merje's contract that they will handle the permitting and bidding. President Angelo said in our team's meeting we can confirm that with them and move forward. Code Enforcement Officer and Planning/Zoning Administrator Tilley said the team's meeting will just include Secretary Londeen, Board Member Nelson, and President Angelo.

Code Enforcement Officer and Planning/Zoning Administrator Tilley said the next item that Merje stated what we will need to do is the final review and sign off on the messages. Remember how you had the question of what kind of message we were going to have on certain signs because it was not set in stone yet what that message would be. We just have to decide on what kind of message. Secretary Londeen said I was a little confused about where we needed to solidify those messages. Are they going to tell us you need to come

up with verbiage? Is that what the plan is? Code Enforcement Officer and Planning/Zoning Administrator Tilley said yes. It shows it on the design packet.

Code Enforcement Officer and Planning/Zoning Administrator Tilley said the items on the list are what we need to fulfill with Merje. We need the final review to sign off on the messages, and we will do the TxDot review. I have sent a packet to Precinct One. I will get with their engineers and find out which signs. I have already sent the location, the signs, and detail of the sign, to see what permitting process we need through the County in order to place the signs along Lone Star Parkway. We just have to figure out a phasing plan and that is when we will get the budget finalization.

## **ECONOMIC DEVELOPMENT REPORTS**

### **11. Report and update on Event Recap & Overview October 23, 2024 – March 3, 2025.**

Special Events Coordinator Johnson said this is just a checks and balances of the first quarter of events we have had and what I have been working on. I am excited about where we are going. There is a lot going on.

### **12. Financial Reports for the period ending February 28, 2025.**

President Angelo said last payment of the half cent sales tax is reflected in the attached reports for February 2025. It is a very large payment due to the Comptroller audit finding which is why the sales tax deposited this month is so much more than usual. As a result, MEDC has nearly reached its potential sales tax revenue for the fiscal year.

President Angelo asked Finance Director Carl to explain the accounting audit. Finance Director Carl said State Comptroller is constantly auditing sales tax. In sales tax payments that are made to the City, they are broken down into a variety of categories including current collections, prior periods, future periods, and any audit collections. Sometimes audits do not necessarily result in us getting more money, but it could be a result in us having to pay money back that maybe was not rightfully the City's, that it was for another jurisdiction. That has happened in the past. The granular data is confidential. While you will see in the reports that are in the Council packets each month, there is some information that is available as far as the top 10, 25 taxpayers and a cumulative number, but as far as specifics as to how much of our sales tax is specifically from one retailer, that is considered confidential data. In the case of these audit payments, that is also confidential data. The information that I can provide to you is that I think there were 45 sales taxpayers that were a part of this, so I can tell you that. I can tell you that audit period I believe goes all the way back to 2014. That was a substantial payment. It was like \$236,000 over those 45 tax payers. It does not mean they are necessarily brick and mortar here, it just means that it could be things that are online, but it is sales tax dollars that belong to the City. It is based on Comptroller audits. That is why our payment was nearly a million dollars last month in overall sales tax. President Angelo asked am I understanding correctly that our total balance is \$3.7 million or is it more? Finance Director Carl said if you look at your sales



tax revenue, we budgeted \$865,000. Last month we deposited \$234,752, bringing your fiscal activity to \$774,587, and just shy of \$91,000 to put you over. Board Member Olson asked is that through the end of February? Finance Director Carl said yes. Board Member Olson said we still have seven months to go. Finance Director Carl said you will definitely be bringing in additional revenues and that is one of the things to consider when we are looking at wayfinding signs, and looking at any of those projects. There will definitely be a surplus, even in projections in working with our sales tax group.

President Angelo asked when does the special police district funding kick in? Finance Director Carl said sales tax that started when someone went to a retailer after January 1<sup>st</sup>, that sales tax is what is being deposited this month. You collect in the month of January, you submit to the Comptroller in February, Comptroller does their calculations, and in March, they deposit that money. The CCPD rightfully was the owner of those sales tax dollars that were paid starting on January 1<sup>st</sup>. This payment we received in March will now be divided up. That half a cent will be divided between CCPD and MEDC.

Finance Director Carl said one thing I would mention when we were talking about the presentation from BCS. The EDC has participated in 380 agreements. There is a portion of EDC sales tax that goes back to Kroger and to The Shops at Montgomery. So you do currently participate in 380 agreements. One of the pieces they presented to you talked about the fact that their projected sales tax is \$1.3 million and the gentleman made a reference to the fact that over four years that amount would be paid back. That is not exactly correct information. When sales tax comes in, the City collects two cents. Now a quarter of a cent is going to come to you, and quarter of a cent goes to CCPD. That leaves one and a half cents. A half a cent automatically goes to sales tax to reduce property tax, so the City is left with one penny. Even if the City were to commit to that \$4 million, that sales tax figure that they gave is cut in half. The City does not have \$1.3 million for the year to give back to them. They would have half of that if they chose to give back the full cent. Those are the kind of things that we will be discussing in the workshop next week. We will be having a discussion about 380s, how that works, and what it means for the City and MEDC. President Angelo said what you are saying is the money is already committed. Finance Director Carl said right. The voters chose to fund CCPD, voters chose to fund MEDC, voters chose to fund a quarter portion with a half a cent towards reducing property tax, so that is how it gets divided up. That other penny is what goes into the general fund and that goes for general operations.

Secretary Londeen said we are still under that 380 agreement with Kroger. Finance Director Carl said yes we are. I will have the figures on Monday, but it is a pretty significant dollar amount like \$5.6 million.

President Angelo thanked Finance Director Carl for breaking it down and also for the good news too. Secretary Londeen said you could also lose that money. Is it possible to lose a million dollars? Finance Director Carl said in all honesty, some of that money that is coming from that audit, in all likelihood, is because it went to other jurisdictions that should have come here. My hope is that that was not in one jurisdiction. If you recall, a few years

ago the City of Montgomery received a very large tax deposit one month. It was for a business that was not in this jurisdiction. It was known that that money would have to go to its rightful jurisdiction, but it is a process. The money was set aside because it is not like you can just send that money back to the Comptroller and say this was not ours, figure out how to get it to the right people. You have to wait for it to go through that process. So in this case, and again I do not know specifically what jurisdictions were impacted, but my suspicion is that it was very spread across many jurisdictions. I do know that in that number of 45 entities that were a part of that audit, there were a handful, maybe like five or six of them, that was actually a refund. It was a very small amount, but we were overpaid. That does happen, and that is just a part of the normal every month thing that happens. Some cities do not have that because they have a very tight little area and they do not have a sprawl of their jurisdiction, but where we are, we are just bound to see it.

**Motion:** Board Member Olson made a motion to accept the financial reports for the period ending February 28, 2025. Secretary Londeen seconded the motion. Motion carried with all present voting in favor.

## **BOARD INQUIRY**

None at this time.

## **EXECUTIVE SESSION**

### **13. Closed Session**

Montgomery Economic Development Corporation will meet in Closed Session pursuant to the provisions of Chapter 551 of the Texas Government Code, in accordance with the authority contained in:

- A. Section 551.072 Deliberations about Real Property for potential land purchase.

At 8:26 p.m. President Angelo convened the MEDC into a closed session pursuant to Chapter 551 of the Texas Government Code, in accordance with the authority contained in Section 551.072 Deliberations about Real Property for potential land purchase.

### **14. Open Session**

Montgomery Economic Development Corporation will reconvene in Open Session at which time action on the matter(s) discussed in Closed Session may be considered.

- A. Section 551.072 Deliberations about Real Property for potential land purchase.

At 8:50 p.m. President Angelo reconvened the MEDC into an open session pursuant to Chapter 551 of the Texas Government Code to take any action necessary related to the executive session noted herein, or regular agenda items, noted above, and/or related items.

**Motion:** Board Member Olson made a motion to approve the item discussed in executive session. Board Member Nelson seconded the motion. Motion carried with all present voting in favor.

## **CLOSING AGENDA**

### **15. Items to consider for placement on future agendas.**

Schedule workshop for City logo.

### **16. Adjourn.**

**Motion:** Board Member Walker made a motion to adjourn the Regular Meeting of Montgomery Economic Development Corporation at 8:55 p.m. Secretary Londeen seconded the motion. Motion carried with all present voting in favor.

**APPROVED:**

\_\_\_\_\_  
Jeff Angelo, President

**ATTEST:**

\_\_\_\_\_  
Ruby Beaven, City Secretary