

Montgomery MEDC
AGENDA REPORT

Meeting Date: February 21, 2022	Budgeted Amount: N/A
Department: MEDC	Prepared By: Richard Tramm

Subject

Discussion and consideration of an economic development grant application from Troy Tep LLC.

Recommendation

Consider the application and act as you deem appropriate.

Discussion

Economic Development Grants fall within the authority of the MEDC to grant where the Board of Directors feels they are appropriate. MEDC funds used in this manner are intended to promote new business development or enhance development of existing business. I have reviewed the application for several considerations prior to this coming to the Board of Directors:

1. Is this type of expenditure legal/appropriate for consideration? The MEDC could approve this if it determines that approval is in the economic interest of the City.
2. What is the perceived benefit of this item that complies with allowable categories for MEDC expenditures? The requestor estimates in Exhibit E that this location would yield \$24,000 in sales taxes to the City annually (\$18,000 to City and \$6,000 to MEDC) when all units at this strip center are occupied and operating. This assumes all five tenants are sales-tax generating businesses and average \$240,000 annual taxable revenue. The benefit the sign would be to advertise specific businesses in the strip center. Therefore the MEDC Board would need to decide how this project is in the economically beneficial interest of the City to be approved, such benefit could be that the additional amount of customers attracted by the sign that would not otherwise visit these businesses would be of significant value to the City.
3. Is this location for the grant request in the City? Yes, this location noted in the application is in the City.
4. Does the proposed work to be done under the grant conform to City requirements? The applicant has received a permit for the proposed sign to be erected at his business location.

The applicant is requesting \$10,000 in grant funds to be used towards to total cost of \$15,425.63 for the sign construction, which is above the \$5000.00 limit normally considered. If the MEDC Board of Directors chooses to fund this grant at the \$10,000 level, then City Council approval will also be required, per state law.

Approved By

City Administrator	Richard Tramm	Date: February 17, 2022