

Montgomery Economic Development Corporation  
**AGENDA REPORT**

<b>Meeting Date: May 16, 2022</b>	<b>Budgeted Amount: N/A</b>
<b>Prepared By:</b>	<b>Exhibits: N/A</b>

**Subject**

Consideration and possible action related to the feasibility of participating in road development agreement with local developer.

**Description**

The TXDOT work and the accompanying traffic issues have highlighted the value of the mobility provided by the road that goes behind CVS/Chick-fil-A/Panda Express/AutoZone and out to Buffalo Springs Drive. It also showcases the risks of not having the same mobility available on the north side of Hwy 105 as the barricades have made it more difficult to turn into the Kroger parking lot from the eastbound lanes of 105.

When Discount Tire opens, it is expected to provide a road through from Buffalo Springs Drive to Kroger on the north side, but the further extension of the road to CB Stewart is delayed until AMJJ LLC develops the property. At this point in time, the City is unaware of any immediate plans for development of this area.

However, the public safety issues apparent with the increased traffic along Hwy 105 and the ongoing TXDOT project make it obvious that there is a compelling interest in the City encouraging a road to be built to link up to the soon-to-be-built road on Buffalo Springs Dr. Additionally, having a road in place might also bring forward development, which is a goal of the MEDC. However, neither the City nor the MEDC should be transferring taxpayer dollars to private property owners. Therefore, the use of a development agreement between the City, the MEDC, and the property owner might be a solution to all these goals.

If the MEDC were to be interested in being part of a solution to the identified issues, the City could inquire about the feasibility about a development agreement in which the landowner would borrow money from MEDC and construct a road to link up to the road that will be built by Discount Tire at Buffalo Springs Dr.

Repayment of this loan could come in installments as certificates of occupancy are achieved at the pad sites fronting the road.

Additional stipulations could be put in place, such as the appearance of the buildings and that the sales taxes for all purchases are allocated to the City of Montgomery for the construction materials, which would give the City and MEDC an additional financial benefit, even before the project reached completion. Meanwhile City residents could enjoy the added mobility and safety from the road being in place several years earlier than it might otherwise be in place.

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At current prices, a 30' width road that was 6" deep, with 6" curbs, and included the proper site preparation and substrates would cost about \$300,000. Due to high levels of inflation, especially in the construction industry, this amount would likely be higher at the time of any potential development agreement, but it gives an idea of the magnitude of the project at today's prices.

**Recommendation**

Request City staff to discuss the feasibility of this type of development with the City Attorney and report back to MEDC Board of Directors.

**Approved By**

City Administrator

Richard Tramm

Date: May 13, 2022