

MINUTES OF REGULAR MEETING

April 19, 2021

MONTGOMERY ECONOMIC DEVELOPMENT CORPORATION

CALL TO ORDER

President Rebecca Huss called the Zoom Teleconference meeting to order at 6:00 p.m.

Present: Rebecca Huss – President
Arnette Easley – Vice-President
Carol Langley – Treasurer
Ryan Londeen – Secretary
Dan Walker – Board Member
Jeff Angelo – Board Member

Absent: Tom Cronin – Board Member

Also Present: Richard Tramm – City Administrator
Susan Hensley – City Secretary
Amy Brown – Former MEDC Member
Terry Weaver – Reflective Life Ministries

OPEN PUBLIC COMMENT

Public Hearing Opened at 6:00 PM.

Letter from Chronic Tacos in support of festivals dated April 16th. Chronic Tacos said that festivals provide an increase in sales for their business and that they would like them to see them continue to grow in the community.

Public Hearing Adjourned at 6:01 PM

APPROVAL OF MINUTES

1. Approval of Minutes of Public Hearing and Regular Meeting held on March 15, 2021

President Huss made a comment on Page 3 regarding the police radios. They could either get the radio paid under the 2019 / 2020 budget or the 2021 / 2022 budget—not the 2020 / 2021 budget. They submitted on the appropriate date regardless.

Motion to approve the Regular Meeting Minutes was made by Jeff Angelo and seconded by Dan Walker. All in favor. (6-0)

APPROVAL OF FINANCIAL REPORT

2. Approval of March 2021 Finance Report

Finance report was presented by Carol Langley.

The interest rate was 0.01%. The sales tax transfer of \$53,801.62 will show up on the next report. The 4th payment on property that was purchased by the City was made for \$63,052.03. Checks were made to the Mudbug Festival event. A payment to the downtown project was also made.

President Huss said the Mudbug Festival money was put into escrow account. Fees Included security, public works, and marketing. Instead of submitting receipts, they submitted bills for security. These bills were paid directly to the service providers. These people were mostly those who worked for the City but worked overtime.

Motion by Jeff Angelo, seconded by President Huss, to approve the March 2021 Financial Report as presented. All in favor. (6-0)

CONSIDERATION AND POSSIBLE ACTION

3. Consideration of Economic Development Grant Request from Reflective Life Ministries (Terry Weaver) and Consider Calling a Public Hearing, if necessary.

Presented by Terry Weaver with Reflective Life Ministries. The show is focused on reducing the rate of teen suicides. Current media has a damaging effect on the youth, specifically movies like 13 Reasons Why. The show will be filmed 95% in the City of Montgomery and will highlight iconic areas of the city that will help market the city. The show still has four episodes to film and they would like to really highlight the City on those episodes and incorporate some current events into the show (e.g. villain trying to destroy historic buildings in the City). They are working on a distribution deal with Netflix and Amazon Prime. They plan to get millions of viewers watching the show.

President Huss asked if there are any jobs being created in the city or purchases being made. Weaver said yes, both in the past and future. The cast premiere is done at a local business. Every

time they film in the City they make purchases. Moving into the viewing stage will bring more activity to the City.

President Huss asked if camera activity (e.g. film, cuts, etc.) can be given to City for the City to use. \$20,000 would typically be generated from a \$1,000,000 in sales tax, so the grand amount is a big number. Weaver said actors could do photoshoots. They also have a lot of B-roll that could potentially be shared to the City. Huss reiterated that \$1,000,000 is a lot of money (examples being Kroger and Chick-fil-A who produce high amounts of sales in that range)

Angelo said he hosted first fund raiser. They have highlighted every aspect of Montgomery. Surprised by number of iconic places that were highlighted. There were tons of food trucks at the premier. Angelo mentioned "cause marketing" and that he worked with faith-based film for awareness for adoption. After 2 or 3 developers took it up they all wanted to be a part it. He said that you can't imagine the number of viewers on Amazon Prime. Great opportunity to showcase the City's care for others.

Easley said he shares the same sentiments and that the show will be great for the City.

Londeen asked if the City will be represented as a positive place or a depressing place full of social issue, especially if they are using the City name. Weaver said the City takes on the characteristics of the people and they are, barring a few, good people. The movie will be portraying a positive message of hope and the City would take on that same message. The show is focused on teens but it is a family show. People will get interested in the quaint aspects of the town in the show and that will attract tourism.

Langley asked where the other money will come from. Does it take all of \$400,000 to do all of the scenes in Montgomery? Will more money be found to finish the project and will it take a year to four years from now to complete? Weaver said they have raised \$300,000 for the project and this is the last quarter of fundraising. They will release the first four episodes in the fall. Part 2 will be released in the spring. Filming of the last four episodes will be July through August and then they will go into post-production. The budget increased and it is now a little over \$500,000. They added additional editors.

Walker asked what the avenue will be for distribution. Weaver has presented to Amazon and Netflix. Initial launch will be organic. Montgomery will be nucleus of the showings including a showing at the stadium. Also wants to do theater showings. Marketing as well as organic premiers in the City and around the County. Businesses and churches will all join marketing this show.

President Huss agreed with Jeff and Arnette that the EDC is an economic development corporation, so the EDC is looking to drive the local economy. The EDC allocated half of the grant money including the \$9800 spent on the church fence. Only \$10,000 is left available. However, a B-roll and advertising will be economically beneficial to the City.

Weaver mentioned that a Season 2 is being planned and hopes this is a long-term project.

Easley asked how many total series will be included in the show. Weaver guaranteed that at least 8 episodes will be produced. Arnette asked if these episodes will be in the city or county. Weaver stated they will all be in the city.

Angelo asked if everything needs be completed for the distributors to accept the show. Weaver says the trailer was submitted to amazon and Netflix. The team of reviewers are still reviewing the show. Aggregator said there are no “no’s” yet.

Angelo asked how many awards the show has won. Weaver said the show won three awards. One was best director. The show was introduced to 6 or 7 more film festivals. At the first festival the show won a boost award, best actress, and supporting actress. Angelo stated that winning awards helps with marketing and getting it on platforms. Weaver noted that the show is even being shown at festivals in places as far as Canada.

Londeen acknowledged that the show could bring economic activity to the City, but its hard to put a number on that. He also noted that there is only \$10,000 in the budget and that he is hesitant to spend a lot of money on this.

Tramm noted that this cannot be voted on at this meeting. It needs to have at least one public hearing before the board can decide on it.

President Huss indicated that higher than expected sales tax may require the budget to be reworked which may affect certain funding categories.

Motion by Jeff Angelo to call a public hearing for Economic Development Grant Request from Reflective Life Ministries on May 17th at 6:00 PM, seconded by Dan Walker. All in favor. (6-0).

4. Consideration of Funding Specific Budget Items Under Existing Categories in Current MEDC Budget (Partly Tabled at March 15, 2021 Meeting).

Presented by Amy Brown who is coordinating the event.

This is a \$4.2 million industry including manufactures. A manufacturer has its corporate headquarters off FM 2854 and they produce 1000 quilting machines a year. There are 10 million quilters with 884,000 living in Texas. Montgomery is in a prime location. 72% are dedicated hobbyists. Hobbyists, on average, own \$13,000 worth of tools and supplies. There is an International Quilt Festival in Houston every year and it is the largest quilt show in the US with 55,000 attendees over 4 days. Similar shows as Montgomery include 1) Sister’s OR, with similar population as Montgomery, has 10,000 visitors every year contributing \$1.7M dollars to the economy. 2) Huntsville, with 5,000 visitors, is considered the largest guild show in Texas. They have stopped doing their show. St Mary’s quilt show in Plantersville had 2,500 visitors. The 2-day show was extended to 3-day show due to crowds. The show will be based in downtown but

the walking route includes the Nat Hart museum, historic homes, Clepper Dr, Fernland, and historic downtown. Quilts will be displayed outside the businesses and each business will be responsible for the quilts. Volunteers will hang the quilts. Business owners will take them in and rehang the next day. Event will be on a Friday and Saturday. Brown is planning on 99 tent vendors with 68 vendors renting tents. There are locations for 3 food trucks and 1 beverage truck. Brown pointed out that the MEDC sponsored other festivals that were \$10,000 (wine / antiques), \$8,000 for the Mudbugs / Music Festival, and \$5,000 for 8 years for the Christmas in Montgomery event. Brown is asking for \$3000 to fund City expenses plus photographers and advertising. %55 of the profit or up to contribution amount will be reimbursed to the EDC. All funds from a quilt raffle will be donated to the EDC to fund the December Snow Party event. Brown is expecting approximately \$5,000 in raffle tickets. Chick-fil-a will donate food to vendors and volunteers. Moda, largest quilt fabric distributor in north America, offered a non-monetary donation to support the event and working with two local businesses to sponsor different aspects of the event.

Angelo likes the opportunity of the MEDC being able to recoup the costs. Noted that potential visitors have disposable income that will benefit a tot of the City businesses. Angelo asked if there is any pushback from businesses or any issues with businesses displaying the quilts. Brown indicated that she has only spoken to a few businesses, but they are excited for the event.

Angelo said the demographic is good for the town and may even bring in younger people. Brown stated that there are a lot of quilters in their 20s and 30s who have visited her store. This will be a family friendly event.

Arnette liked the fact that the MEDC will be reimbursed. He asked how many visited the Plantersville show. Brown stated 2,500 and Huntsville got 5,000. Arnette supports anything that brings in that many people to the City.

Arnette expressed concern that it may be a burden to some businesses in town who have to take care of the quilts. Brown indicated that each business will have at most 2 quilts.

Brown hopes to make it an annual event. She expects 200 quilts this first event and the event will grow from there. The plan is to add more features in coming years.

Angelo asked if there is a contingency for rain. Brown said that volunteers and public works people out on that day tell businesses to take them inside if it looks like there is impending rain. People are loaning quilts so they will need to be taken care of.

Arnette asked if one quilt is being raffled? Brown said there will be one quilt plus a gift basket being raffled. Proceeds from the quilt raffle will be donated back MEDC for the snow party event.

Angelo asked if it is possible to create quilt with iconic spots throughout Montgomery? Brown said you can do any design you want.

Brown indicated that Chick-fil-a wants to help advertise the event including handing out fliers.

Walker said the demographics of people who attend these things can spend money. Brown indicated that people who do quilting treat it as an investment. Quilters can spend money and they will spend money around town when attending the event. The event will also show case the entire town and will cause them to bring friends and family back to the town.

Londeen asked how the event will be marketed. Brown said that marketing will include distributing marketing cards, contacting quilt guilds, and advertising on their Facebook page and website. Brown is focusing on vendors and sponsors right now but will focus on advertising as the event comes closer (July and August). Brown has contact info from the St Mary's event that she will use.

Londeen noted that festivals such as the wine festival and antique festival are an economic benefit to the City. He indicated that he is wary of having too many festivals though, but it appears that there is a strong interest in a festival like this. He also likes that the MEDC will be reimbursed.

Brown indicated that Chapel hill bluebonnet festival had 7,000 people, in part, due to being locked up during the pandemic.

President Huss indicated that there needs to be a balance between different interest groups with different types of festivals. Everyone won't come to every festival. Retail trade area for the City includes 60,000 to 80,000 people and you don't have to look that far to find a million different customers. Bringing 6,000 people into downtown most weekends of the year will change the dynamic of the downtown area and will attract more small businesses.

Angelo indicated that more people are starting to wake up to Montgomery and people talk on Facebook. This event is a great way to drive an extra demographic with disposable income to the City.

President Huss indicated that even big businesses such as chronic tacos and chick-fil-a benefit also benefit from these events.

Motion by Jeff Angelo to award \$3,000 to fund the Montgomery Quilt Walk Festival, seconded by Arnette Easley. All in favor. (6-0).

5. Consideration of Signage Grant Policy (Tabled at March 15, 2021 Meeting)

Presented by Tramm

Londeen noted that there is a \$20,000 budget line item in the policy. However, \$20,000 is the total MEDC grant budget amount and not just grants for signs. Tramm said a separate budget item could be assigned for this at the next budget meeting. Londeen asked if the item is needed

at all since the budget may change every year. President Huss agreed. She'd like to avoid having to change the document every time the budget is changed. Huss indicated to add language of "up to \$5,000 per grant" instead and leave the budget maximum amount out.

Londeen indicated that the policy doesn't mention anything about the required public hearing under the board determination section. Tramm said its located in the page before but that he will include it under the board determination section as well.

President Huss asked to include a clause under paragraph one stating "in compliance with applicable state laws regulating the EDC" after the statement about expanded business development or something to that effect.

Walker liked the policy and agrees with the amendments.

Carol liked the policy in that it provides a schedule and clarity.

Arnette indicated the policy is fine.

Motion by Rebecca Huss to approve Signage Grant Policy subject to the amendments provided by Rebecca Huss and Ryan Londeen, seconded by Dan Walker. All in favor. (6-0).

6. Consideration of Economic Development Grant from Troy Tep LLC for a sign at 22453 FM 1097 (Tabled at March 15, 2021 Meeting).

Tramm advised Mr. Tep of the time of the meeting and that Mr. Tep is not in attendance.

President Huss inquired if a permit has been granted for the sign. Tramm indicated that the owner was in contact with Mr. Dave McCorquodale and that a permit application has not been made.

Motion by Rebecca Huss to deny Economic Development Grant from Troy Tep LLC for a sign at 22453 FM 1097, seconded by Ryan Londeen. All in favor. (6-0).

7. Update on the Montgomery Music & Mudbugs Festival

Presented by Richard Tramm.

President Huss indicated that the crowd was well behaved, and police were happy with the setup. Tramm said the crowd was about as well behaved as could be for that size. It went off without any major incidents.

Angelo added that the event was disorganized on how local business owners could participate. It was not very professionally done to better allow local businesses to participate. Future events need to be buttoned up a little bit. His business backed out due to not knowing how to participate with any reasonable assurance. A basic tenant would be to ensure events are done professionally.

Walker said every single vendor said they'd come back. He indicated that it could have a better selection of vendors.

Angelo said they did good job of getting the big names in the event. Going forward the EDC needs to find a way for the EDC or the event organizers to get word out to local businesses on how to participate. Part of the event is to get local business names out there. Arnette asked if maybe the City or MEDC can manage that aspect and receive the fees for the booths. President Huss is concerned that that means the City inherits issues that come with vendors. Angelo said the EDC should maybe require promoters to provide a plan that is more comprehensive for vendors. The EDC needs to be more vigilant if the EDC is promoting the event.

President Huss noted that having an event in the middle of a field without services makes it more challenging, but agrees that more discussion needs to be had to do better in the future.

Angelo said he didn't see a big bump in business since attendees were dining at the event. The event did bring awareness to the City, but the local businesses didn't feel comfortable getting involved.

8. Consideration of Approving Transfer of Budgeted Funds to City of Montgomery for Capital Projects

Presented by Tramm.

Angelo asked if this is just redirecting a line item. Tramm said the EDC had set aside this money to go toward capital improvement projects as a reimbursement to the City's cost for the projects. The City has been invoiced for specific improvements to the City's water distribution system. President Huss indicated that the EDC has been paying toward debt services in past years. However, past minutes do not indicate that this was contractually agreed upon and has just been carried along every year. This year's budget was adjusted so that this item specifically goes toward growth in the City and water line facilities are important to growth in the City. This specific line item will be put towards a specific project that provides supports growth in the City.

Londeen asked if the dollar amount was a carryover from previous budget years. President Huss indicated that it is the same amount that was budgeted before for debt services.

Londeen indicated that the dollar amount could be discussed further in the next budget discussion. President Huss asked if it was too low or too low. Londeen and Huss agreed that further discussion could be had at another time. Londeen said this is a good investment back into the City.

Motion by Ryan Londeen to transfer budgeted funds of \$160,000 to City of Montgomery for Capital Improvement Projects, seconded by Arnette Easley. All in favor. (6-0).

ECONOMIC DEVELOPMENT REPORTS

9. City Administrator's Development Report

Presented by Richard Tramm

Walker asked about the clearing on the J Alan Kent property. Tramm said there is a misunderstanding about what some of the land is usable for and that a meeting is occurring tomorrow about what can and cannot be done on that property.

Easley asked for an update on the HEB property. Tramm said owners of the tracts around the HEB site were inquiring about development and construction activity in the City. They are following up with HEB to reevaluate and determine what the likely building plan is. This implies that they are monitoring activity in this area.

Walker asked if they are dredging the canals on the north side of the Kent property. Tramm said they are dredging but he is not sure on the full extents of that activity is.

Londeen asked if the Gunda tract is going to present to the EDC soon. Tramm said he thinks they are about three months away from a significant presentation on to the EDC.

Londeen asked if the Kammerer tract is moving forward. Tramm said they are done with the feasibility and will be closing this week. At this point Tramm said the City is ready to work with them moving forward.

10. City Engineer's Report

Presented by Richard Tramm

EXECUTIVE SESSION

CONSIDERATION AND POSSIBLE ACTION ON ITEMS FROM EXECUTIVE SESSION.

None

BOARD INQUIRY

President Huss asked what Tramm's opinion on amending the budget. Tramm said it's a good time to look at the budget for a budget amendment since the EDC is ahead for the year. The EDC has had more income than expected. Huss suggested instead of knocking it out into one day, to break it up into multiple discussion. Londeen asked when the new budget begins. Tramm said in September the EDC will adopt the budget. Staff will begin work in June or July with an EDC workshop around August. Huss noted that the budget needs to be approved by the City and we need to allow for enough time for the approval process. The budget should be completed early August. It would be good to start having budget discussions at the next meeting.

ACTION ITEMS FOR FUTURE MEETINGS

<i>ACTION ITEM</i>	<i>ASSIGNEE</i>	<i>DUE DATE</i>

ADJOURNMENT

Motion by Jeff Angelo, seconded by Ryan Londeen to adjourn the meeting at 7:55 p.m. All in favor. (6-0)

Submitted by: _____ Date Approved: _____

Richard Tramm, City Administrator

Rebecca Huss, MEDC President