



**City of Montgomery
City Council
Joint Special Meeting Minutes
April 29, 2025**

OPENING AGENDA

1. Call Meeting to Order.

The City Council Joint Special Meeting of the City of Montgomery was called to order by Mayor Countryman at 6:00 p.m. on April 29, 2025, at City Hall 101 Old Plantersville Rd., Montgomery, TX and live video streaming.

With Council Members present a full quorum was established.

Present:	Mayor	Sara Countryman
	Mayor Pro-Tem	Casey Olson
	Council Member Place 1	Carol Langley
	Council Member Place 4	Cheryl Fox
	Council Member Place 5	Stan Donaldson
	MEDC President	Jeff Angelo
	MEDC Secretary	Ryan Londeen
	MEDC Board Member	Dan Walker

2. Pledges of Allegiance.

Mayor Countryman led the Pledges of Allegiance.

PUBLIC FORUM

No comments received.

SPECIAL AGENDA

3. Discussion on terms of proposed Development Agreement with BCS Capital (Dev. No. 2415).

City Engineer Chris Roznovsky said both MEDC and Council have been presented by BCS with their proposed development plans, talked about the development agreement, and the MOU was entered into a couple weeks ago. Now, we are in the process of developing the actual development agreement. One of the majors of that is where do those dollars come from? The tools are the buckets that play. Obviously, you have your sales tax component from the MEDC's portion, the City's portion, and there are a couple portions we cannot use, so the tax reduction component and the CCPD component are off the table. They cannot be used for this. You also have the ad valorem taxes that are buckets that are options to be used to fund this fee. There is a draft development agreement in front of you, but we cannot really do that until we work out these terms of

at least what are we going to propose in there, and what does that split look like? Since both parties components are in here, having everyone at once talk about how that works makes a whole lot more sense than be-bopping back and forth between meetings to get a resolution. What is in front of you are a handful of things. This is just a starting point, so as we run through scenarios, I will plug them in and tell you what those look like. The first sheet in front of you is a detail of the numbers and breakdown of some scenarios. Starting at the top of the sheet, again, I think most of you all have seen this before. For the development cost, if we look at the estimated cost of the linear utility roadway improvements, the impact fees, that totals \$3 million. Following over to the far right hand side of the page, your reimbursement amount you based on the discussions, would support the linear and the roadway, not impact fees, was about \$2.5 million of public infrastructure they are believed to get reimbursed. They have also requested, and as per the MOU, there is a \$4 million total reimbursement with that additional million and a half to use rough numbers as economic incentive. Keep on going down the sheet and you will see their projected annual sales tax revenue is at \$55 million. That is per the developer when it stabilizes. This obviously is not day one that property is developed out, as well as their estimated assessed value at full development. So, \$71 million today, for sake of comparison, that property is about one and a half, and it is not what it is shown on the tax rolls currently, so it is \$70 million additional valuation to that property when it is fully developed. Going on down, you will see the sales tax break down. Again, based on those sales tax numbers, that \$55 million, what would that equate to, and what is that split? That shows you on an annual basis the City's one cent would equate to roughly \$552,900. For ad valorem tax, what that currently looks like, what is debt, what is maintenance, what are those revenues, and then you add it all up. What is the potential to the City, if the City kept all of it from the sales tax revenue, ad valorem revenue, about \$1.4 million to the City. I will go through the rest of the documents just to make sure we are all on the same page, but the bottom portion just starts as examples of the different ways that you can split this to hit some of the terms that Council and MEDC had talked about which was not to exceed a 10-year payback period to hit the \$4 million valuation and so that is what that shows. Now, we try to go conservative with this, so we assume the first three years there are zero issues. It is likely there is going to be some development, some sales tax, but they are estimating three years to stabilize the development and have revenue generation, so we just assume those first three years are a wash, so that 10-year payback on the first option, that is really paid out in seven. The first three years are a wash. The rest, you all have copies of the memorandum of understanding with the exhibit showing the scope of those improvements that are listed in the MOU. With that, I will open it up to discussion, run through the numbers, and answer any questions.

Mayor Pro-Tem Olson asked what is the difference between the last page and the first page? City Engineer Roznovsky said the only thing different is we added what the City will be keeping in match. On that bottom portion, the total annual bill, what would you receive if you kept it all, and then both annual with the reimbursement. If you follow

this first column it says City 100 percent, MEDC 0, AV 10. The City in that one year would give away \$571,000 and they would retain \$815,000 of the total that comes in. If the total comes in of the \$1.386, \$571,000 goes to the developer, delta goes to the City to keep. We are trying to show how much of the total that you collect would go out versus staying in. That is really the difference between these two. The numbers at the top are the same, the valuations are the same. We are just adding that additional so we can see from collection standpoint.

Secretary Londeen said on CB Stewart you had mentioned that potentially coming out of \$4 million. City Engineer Roznovsky said there are a couple things in play. Per the agreement, it is required their request is to go to \$4.8 million because the additional cost of CB Stewart Road. Mayor Pro-Tem Olson said at every turn, we are developing this property for them 100 percent. The taxpayer is developing this property for them. We are reimbursing 100 percent, plus every dime that they are putting into it, other than the purchase price. This is not a great deal for taxpayers. Mayor Countryman said like we talked about in the meeting though, there is a partnership, and it is a public road, so it is a public road for taxpayers. Mayor Pro-Tem Olson said it is not a partnership because we are paying 100 percent for it. Mayor Countryman said they are paying it up front because we do not have the capital to pay for it right now, so they are paying it up front and we are paying them back for a public road, but the public uses that. A lot of people that will be on that road will be spending money in their development to pay it back, so it does help us because it allows us to be able to afford this over the years instead of up front. That was the big selling point. Mayor Pro-Tem Olson said I am not saying the development is not a good development. I am saying they are asking too much money from this taxpayer. If we invest \$4 million over 10 years and do not touch this, this would take 20 to 25 years to get to the same amount because we are going 10 years without a dime or very little. If you look, 100 percent of it for the City gone, 50 percent of MEDC gone, and the only thing we are going to get is ad valorem if it is built out. Council Member Fox asked what do you mean if it is built out? You do not think it can be built out? Mayor Pro-Tem Olson said we have commercial buildings all around this town, brand new, sitting empty. Council Member Fox said I have to agree with you there. Secretary Londeen said we are paying for public infrastructure plus .5. Mayor Pro-Tem Olson said we are paying the utilities, we are paying the streets, plus we are paying, basically reimbursing them for their retaining walls, reimbursing them for the ponds. Secretary Londeen said the 1.5 is another thing, but the linear utility is \$1 million. That is water and sewer lines. The water line I think it does not need this because it provides a loop. Mayor Pro-Tem Olson said I am good with some reimbursement. Secretary Londeen said we probably need that anyway regardless of if having come in or not at some point. Same thing with the sewer. I could see that as a benefit to taxpayers. The roads are in disrepair. They probably were not constructed right, so that is still on the City regardless of whether it comes in or not, so now if they are going to come in, it is not like we are just wasting taxpayer money on an Academy. We are actually putting this towards it. Mayor Pro-Tem Olson said it all goes back in eventually, but it is the extra that we are paying. Secretary Londeen said that 1.5 is separate. Mayor Pro-Tem

Olson said I have no problem reimbursing them. We are giving them back their impact fees. In what world do we do that? Secretary Londeen said on paper we are not, but we are giving the 1.5 back. Mayor Pro-Tem Olson said I do not mind reimbursing them for all the city stuff that we would normally have to pay for. It is the extra that their developers are basically going to profit. It is not like they are not going to make money. Council Member Fox said I feel like it is a good development for our City. We are just paying it out, lay away. Mayor Pro-Tem Olson said I agree. Like I said, the development okay, but what it looks like when you cancel it all out, that development is going to profit immensely among taxpayers. Council Member Fox said we will too. Mayor Pro-Tem Olson said not to the extent. A partnership should be closer to 50/50 than 80/20, especially where we are spending taxpayer money. Council Member Fox said but we will benefit from it over and above all the other issues. I understand what you are saying. Mayor Countryman said yes, I do too, but it is also bringing a restaurant that was not going to come into the City that is now going to come into the City which is a high revenue generating restaurant because of this development. Council Member Fox said Academy also. Mayor Countryman said I am not Milestone. I hear the brand over there is wicked expensive and the management is not wicked management, so that is why there are openings and there has been. It is not because there is no one wanting to come here. Mayor Pro-Tem Olson said we have lots of them. Mayor Countryman said well the ones across the street, they are being built out, they are being rented out. Council Member Fox said there is always a reason that they are vacant. Look at the Brookshire parking lot. Mayor Countryman said those two big spaces are getting rented out. Why? Because there are not newer places to go with good management and good prices. Council Member Fox said I do appreciate your observations though Mayor Pro-Tem Olson. Mayor Pro-Tem Olson said I am just saying it just does not look like a great deal. We are dumping a ton of taxpayer money towards the profit of a development company. Mayor Countryman said we also will profit too. Mayor Pro-Tem Olson said we are taking a risk and that is what is bothering me. Mayor Countryman said that is what you have to do. Nothing is 100 percent. We do take risks every day. We take risks with some of these residential developments that we have. One of them in particular is going to be tied back in the end I can tell you right now. Mayor Pro-Tem Olson said we do not have taxpayer money, skin in the game on these residential developments. We do not, not to the extent that this is. Mayor Countryman said no, because they are apples and oranges, but I am saying there is a partnership. Mayor Pro-Tem Olson said we are taking a higher risk than that developer is. Mayor Countryman said I do not know about that. Mayor Pro-Tem Olson said let us just look at you are saying we are going to make money off all this sales tax right? Well, what do you think they are going to make? We are getting a fraction of it. Mayor Countryman said everybody is going to make money. I am not saying it is one sided. Mayor Pro-Tem Olson said but we are taking the highest risk. Mayor Countryman said no, they are because they are coming to develop it for tens of millions of dollars. Mayor Pro-Tem Olson said we are guaranteeing them money back. They are taking no risk. Mayor Countryman said they have to generate the revenue to get this back. There is a risk. If the revenue is not generated, they do not get paid back.

It is self-sustaining. Mayor Pro-Tem Olson said the risk is on the City, not on the developer. Mayor Countryman asked EDC what do you all have to say? Secretary Londeen said it is just happening already naturally. People are coming to the City of Montgomery. My question is will this Academy bring more people to the City and do we have the infrastructure to support it? Do we have the water and the sewer to continue this growth? Are we doing it responsibly? Are we spending our money right? I do not mind as long as we are okay with the financial. President Angelo said I agree with Ryan. I think we have to put the infrastructure in place anyway no matter what, so if we can pay it out over time because we are growing and we are growing exponentially quickly, we have to find ways to subsidize that growth. If developers are willing to put skin into the game which they are, and bring in high value retailers which they are, then I think there should be some quick pro-quo. Now to the extent of the 1.5, I do not know. Maybe that is something that is negotiable somewhere in there. The last number we looked at was 4.5 total and there was a six-acre retention pond, so I do not know what has been done since then to mitigate some of that. Council Member Fox said I understand Casey's point of view, but the whole thing about this is that we are actually getting these services now and paying for them later, kind of like when I was raising children. I would go to Bell's and put something on layaway and get it back. Seriously, I think this is a really good project. Secretary Londeen asked over 10 years, will the City need this \$1.5 million to pay for additional wells, pay for expansion of wastewater treatment plants? That is what I am concerned about. I do not mind incentivizing development, but do we have the funds to actually do that type of incentive? I do not know. It seems like we are on the edge of being able to fund some of this infrastructure. City Engineer Roznovsky said what we are doing now is we do a feasibility study at the time and then a lot of those perspective feasibility studies happen in September and then they show back up last month, so Villages and Mia Lago. What Zach is working on now is going back through and taking the final details and bringing it back to you. In the development agreement it says you have this capacity at this time, because the Academy, they are not doing it from a water perspective. 300 multi-family units is a completely different story. For retail, what they are talking about, they do not use a ton of water, but the multi-family is what gives us pause because that is that big driver in the use and so we are rewriting those now. We had an annual basis, we are cutting back down to a quarterly basis. Now that all these things seem like they are moving forward, where does that needle move and what does that timeline look like? There are always infrastructure costs. There is a special meeting coming up in a couple weeks to sit down with a financial advisor where we go into funding and finding options for infrastructure. What this does is specific to Ryan's point on the water line. This water line is a critical piece because right now in order for water to get to Home Depot, it goes either around Lone Star Parkway and SH-105, or it goes through downtown through smaller lines. It goes a long route, so this pressure helps with redundancy. It is a needed line no matter what. It is on the capital list, but yes, there are \$1.5 million on top of those improvements that is being asked for. Mayor Countryman said we should not be looking for something perfect. We should be looking for something palatable that we say this is good. Mayor Countryman asked

Maryann, as our Finance Director, where do we stand? Does this look like a good deal from our book standpoint, or does this look like we need to shut down on that? You are a critical piece in the development and cost. Finance Director Carl said the biggest thing is the only way they get their money is by us getting their money first. The businesses have to perform, the value has to be on the ground, or they are not going to get any reimbursement. We talked a little bit about that before. One of the biggest things as Ryan pointed out, this is the incentive. That \$4 million number to Casey's point of what is that \$1.5 million that you are paying for? That was what they provided as an example. It does not mean you are actually necessarily paying for that retaining wall. We need to look at it as they need an additional \$1.5 million in incentives to be able to make that deal work and that is what was agreed upon in that interview with committing to being able to help them, and so it is an incentive for the developer. You build it, we will bring these entities here and we will continue to see increased people here, so not just spending dollars at Academy or those restaurants, but potentially spending money in other establishments here. That is really the thing to keep in mind. Right now as it sits there undeveloped, we do not get anything anyways, but we do not give anything out, so the City is not out anything. The one thing to think about which we kind of talked about when we did that 380 piece is, if you give it all back out, what does that do for you in the short term while that agreement is there? You are still providing increased services, you are providing increased police coverage, all of those type of things. My caution is that we do not give it all back out right away and we look at a portion of how we could meet that requirement. President Angelo asked what is the additional infrastructure and how does that form the runway for future opportunities? City Engineer Roznovsky said obviously, having that water line along Buffalo Springs, the lake property now has a water line on both Lone Star Parkway and Buffalo Springs which will eliminate that cost in the future. President Angelo asked are there greater infrastructure opportunities once these other properties develop? City Engineer Roznovsky said yes. President Angelo said and we would not have to offer any kind of incentives in terms of infrastructure for those. Secretary Londeen said they would have to extend the pavement. We stop at CB Stewart, so they would potentially have to continue that. City Engineer Roznovsky said correct. One question, Alan, the City in the ordinance has the pro rata share component of infrastructure or oversizing of infrastructure. Would it in this case, if the City paid for that infrastructure through reimbursement, could the City, it would still be on the impact fee list, so we are going to carry that cost and impact fees because you are allowed to carry that cost forward, could we also try to get a pro rata from that property owner that directly benefits when they develop in the future? Mayor Pro-Tem Olson said that is a good idea, but is it legal? City Attorney Petrov said it kind of sounds like a double dipping. City Engineer Roznovsky said we have those two tool boxes. We have the reimbursement of infrastructure as a pro rata component and combine that with impact fees, so we can pick either one. Impact fees obviously, citywide, goes into the cost. It is already in the calculation of your impact fees and you can then carry that cost forward to recuperate that. Mayor Pro-Tem Olson said it would be the way we structure it. Council Member Fox asked it would not technically be

double dipping would it? City Engineer Roznovsky said the cost of this line, we would be capturing a portion of the cost from all developments in the City because it goes into the impact fee calculation. The roadway is not. Roadway is standalone. Mayor Countryman said already an incentive that they are capitalizing on is because of this MOU. They have acquired that six acres or going to acquire, or have acquired the six acres south of Ransom's of which they are not asking us to reimburse anything for the impact fees, but I think this is going to be part of it. If I heard him correctly, he said that he was going to add it in here and there is not going to be any changes to this, so that is a big incentive too. Board Member Walker said also backing up to the subject tract was the six acre retention, but the bottom line is the developer is losing a lot of space by having that, and I understand there are alternate drainage areas that they could have used whether it is feasible cost wise or whatever. They did not have to lose that, they did not have to have a big pond in the middle of their front yard. Mayor Pro-Tem Olson said what happened is the other land owner was not willing to let them drain in because it would have affected him. Mayor Countryman said it was also going to go behind Kroger's into the Rampy Pond. Secretary Londeen said it goes east towards Stewart Creek across Kroger. I think they have to put ponds on. We are just saying that now we converted those numbers that they wanted to put for detention, that is just incentive dollars. City Engineer Roznovsky said not officially. We try to make that very clear we do not want to accept, we are not reimbursing for that. That is still private and still yours, but effectively, when they come back and say here is the cost to do this project, the detention pond and retaining walls are those line items. I think their number is \$2.2 million on those which is why they are saying they want a portion of that back. President Angelo asked if it could go down. Mayor Countryman said it could. City Engineer Roznovsky said that was one of the points that was brought up by Council. It is not really reflected in here just because it is an MOU, but somehow saying okay, if you estimate your cost at \$2.2 million and you are able to shrink your pond and gain lane area, and/or reduce construction costs, if it is 10 percent reduction cost or 10 percent reduction in the total reimbursement. President Angelo asked would that be in the final agreement? City Engineer Roznovsky said correct. Mayor Pro-Tem Olson said we have to prove that we can make them reduce their cost because any developers worth their salt, they do not hit for a minute right. City Engineer Roznovsky said right. We have not gotten that far. It is going to take some staff and the attorney to come back with how that would look. Secretary Londeen said the CB Stewart Road would just eat up all the incentive of the \$1.5 million. Who is doing that impact analysis and what is the likelihood of them having to improve that road also? City Engineer Roznovsky said this MOU is for the 32-acres. They have now acquired six acres on the front of CB Stewart. At first, they only had a small portion on CB Stewart which was a multi-family, now they have everything except for Ransom's on CB Stewart. If they close on that six acres and are also developing it, I have a high probability they will need to improve CB Stewart as well. Mayor Pro-Tem Olson asked from SH-105 the whole way, or just from Clepper? City Engineer Roznovsky said the way the original feasibility contemplated it was it was north of Clepper. It was going back with the asphalt road, not going with

concrete like the original on Buffalo Springs. If they now are doing the six acres, I would likely recommend that we rehab all of CB Stewart to the intersection from SH-105 up. Again, sticking with asphalt, it is not the same type of traffic as Buffalo Springs. Council Member Fox said yes, but you have that 14-acre church coming in there. Mayor Countryman asked could they not share cost in that? Mayor Pro-Tem Olson said we already have the development agreement. City Engineer Roznovsky said it is not final yet. What is in their draft development agreement that they are currently reviewing is they are putting the portion of the water line in front of their property instead of closing that 12 inch, and then we asked what is in the agreement is having them extend sidewalks to be able to connect the sidewalks to Clepper so we have full walkability from their property all the way to downtown. Those are the two items. Mayor Countryman said their property does not connect to Clepper sidewalks. City Engineer Roznovsky said correct. There will be a small gap in front of Race Track. There would be a gap there, but they would do everything else. Mayor Countryman said they would do Fernland. Secretary Londeen said with the six acres though, there is a chance they may come back asking for more money to pay for the road improvements on CB Stewart. Mayor Pro-Tem Olson said they kind of have it wrote into this MOU, in the red at the bottom you can see if you want \$800,000. Mayor Countryman said we do not know if Shipley's is coming in across from that six acres. City Engineer Roznovsky said it is for sale. Secretary Londeen said I am okay with the infrastructure reimbursement with the water line and the streets. This \$1.5 million, that is the question. We do not have that risk with providing that reimbursement. We are not paying for water or sewer plants, so I am not really worried about it. I am for bringing in commercial development because that increases the value of bringing in new residents and businesses. As you get more and more amenities, you are going to have more and more businesses who want to set up shop here. More people will want to move here so it will become a more cohesive city. Right now everyone leaves the City to go do things. President Angelo said it will help the downtown businesses as well because you will have people staying here, shopping here, eating here, living here, and not leaving here. Secretary Londeen said I am okay with incentivizing commercial growth. I do not know if we really need it. I think Academy will come regardless. President Angelo said I think there will come a point where we do not have to make all these decisions. Mayor Countryman said but they are going to come with developers like this whole deal. They are not going to come and buy the property themselves and develop it themselves. Board Member Walker said those developers tend to follow each other anyway. In the beginning of these talks, there was mention of a hotel. Is that still in play? Mayor Countryman said no, not on this. Mayor Pro-Tem Olson said they lost the space with the pond. Secretary Londeen said with the EDC, it is not really anything off our back other than the future tax revenue, but that is where our role is in bringing in amenities like big box stores. I am kind of anti-big box stores, but we do not have anything like the Academy here. It is other services that they will bring with the surrounding businesses that will come. I think it is fine. President Angelo asked what typically comes with the Academy? City Engineer Roznovsky said what they were showing as their examples I believe was like TJ Maxx,

HomeGoods, Marshalls, Ross type stores. Mayor Countryman said that is correct. President Angelo said those are all lacking in this area. There is no place for ladies to really shop. Mayor Countryman said and men clothes. You all do not really have anywhere to shop here either.

Mayor Pro-Tem Olson said we have an agreed upon MOU to the \$4 million. The part that I do not like is the CB Stewart part. I raise a fit about the \$4 million because I struggle with the \$1.5 million, but where I really struggle is we are going to incentivize the \$1.5 million and then they just come back with their hand out and ask for more, for another \$800,000 to develop a street. President Angelo said maybe we just put a stop on that or at least put a cap on it. Secretary Londeen asked is \$800,00 for the street improvements or is it more than that? City Engineer Roznovsky said more than half of CB Stewart. Mayor Countryman asked what would that cost if we wanted to just do CB Stewart on our own? City Engineer Roznovsky said the cost estimate we did I think it was \$760,000. Mayor Countryman said I am talking about the whole road. City Engineer Roznovsky said I do not know that, so let us just say half the road so \$1.4 million. Mayor Pro-Tem Olson said this is only for the north section. City Engineer Roznovsky said correct. Mayor Pro-Tem Olson said in every turn they build profit into everything they want reimbursement for. Mayor Countryman said well this is MOU and this is also cushion. We told them to go back and sharpen their pencil, so I do not know that this is the sharpened pencil number. This is just the give us a do not exceed and what can we do with that. This is not the final numbers. City Engineer Roznovsky said correct. I think that is how we structure, there is a cost lead area savings to them on that detention that is credited in some way, shape, or form. Mayor Countryman said we have said we want to see your receipts so we can pay you back the amount. You do not get \$4 million and that \$1.498900 is free money because we want to see where you spent it.

Mayor Pro-Tem Olson said my question is for the MEDC, the four options at the bottom. Since we have MEDC here, which one would you be interested in from the MEDC standpoint? President Angelo said you have small, medium, and large. President Angelo said I think we would be fine with \$69,000. Somewhere around there would be good. I do not understand the ad valorem section on the far right. City Engineer Roznovsky said the way it is written is the first number is the MEDC's portion of the sales tax and then ad valorem, so we can only take from M&O, we cannot take from debt service. If the City was going to incentivize on ad valorem using some of that increased valuation as part of the coverage. President Angelo asked would it still be the City putting that money out or not taking it in? City Engineer Roznovsky said it would. How this is structured it says they are paying an additional \$70 million in value. The City would take in that first column 10 percent of that additional ad valorem revenue and put that toward the reimbursement. President Angelo said so let me put it back to the City. What do you guys think? Some of you are on the EDC board as well. City Engineer Roznovsky said I think it is also re-looking at the term because obviously, these first three years are a wash and so essentially, you are paying it back over seven years. Obviously, if you

extend that turnout, we say 15. There are pros and cons to that, but you would keep more. Mayor Countryman said for the three years, you are saying we will not collect a lot because it is building out, but what we do collect, we just go ahead and keep? City Engineer Roznovsky said no. Worst case scenario is zero additional revenue the first three years. Secretary Londeen said I think the question I would like to think about again is so Academy comes in and we give them \$1.5 million reimbursement for 10 years. HEB comes in and we give them something, and another store comes in and we give them something and so now, we are not getting any tax revenue from all this stuff coming in and all the sales tax which EDC would really benefit from. Over ten years, you do not get any more money coming in. We have our own rules about preserving downtown we would not be able to work on anymore, so are we okay with that? We are okay with incentivizing. At some point, we are going to have to start saying no we cannot. Mayor Countryman said we just looked at the 380 agreements and we have got three or four agreements about to roll off and end in the next two or three years. That means that those are expired. Number one. Number two, we also asked how much of our commercial has been built out and only 40 percent has been built out, so we still have 60 percent for future. It is not like we are hitting at 80 percent and we do not really need to do this. President Angelo said it is like any startup. You have to put out money. You have to put out to get something back. I think we just bite the bullet a little bit on these early adopters if you want to call them that. The rest of them are going to come anyway. We have always said they will. They will and they are. The tertiary businesses that are going to come and benefit from this we do not know the number. Mayor Pro-Tem Olson said it is predicted here. Secretary Londeen said it is hard for me to know because we have empty lots around Kroger and Kroger is an anchor. Why are they not bringing in development and services? Mayor Pro-Tem Olson said that is what my fear is that we have many empty commercial spots right now and here they come with this big 30 acres of vacant spots. Secretary Londeen said I know some times developers have some deals and anchor. They follow each other around. President Angelo said I think the rooftops that are coming into the area are going to more than compensate. We do not have to do this for everybody, but maybe we bite the bullet. Secretary Londeen said that is what I am saying. President Angelo said we want to pick and choose. City Engineer Roznovsky said one difference about HEB is we are working through that agreement as well. They do not tie these city streets so it is all TxDot. They are doing TxDot improvements and there is not that city component. The only city infrastructure from their side is they are extending water and sewer along the frontage. President Angelo asked do we have a 380 with them? Mayor Countryman said no. President Angelo said with HEB and all the stores that are coming, we are going to do fine. City Engineer Roznovsky said the draft development agreement is in their hands. There is no reimbursement or credits. Secretary Londeen said as long as they came and asked us for incentives which is kind of what this is. They could come back and say well we need retention ponds paid for too. Mayor Pro-Tem Olson said that is my exact point. We have bigger businesses that made us better deals and here we are incentivizing for a group of developers to make a profit. President Angelo said yes, but the way you have to look at

this is the smaller guys do not have the big deep pockets. Mayor Pro-Tem Olson said I agree. President Angelo said you are going to have to incentivize the young mavericks to give them a chance, a leg up. We are not giving them a hand out. We are just giving them a leg up. I do not see this as being massive and taking a huge hit on us. Not this kind of money. It is not that big a deal. Council Member Fox said it is not like Anadarko is putting a building there. Mayor Pro-Tem Olson said if it was up to me, we would be close. Mayor Countryman said I think it is a smart move. President Angelo said it is like that movie Field of Dreams. Build it and they will come. We are the field of dreams right now. Mayor Countryman said obviously it works. Home Depot is 12 miles that way and Academy is going to be 12 miles that way. We are in a sweet spot that is going to cannibalize some of those and they are going to be here. Because we are by the lake, that HEB, our Kroger, you see our tax dollars. It is huge in the summer because people go to the lake and they go do all of their shopping there first. Same with the Academy. They are going to swing by there, get their tubes, get their flip flops, and head to the lake. President Angelo said it is about a 10 year assimilation when you are looking at growth like this, anyway, so just know it is coming and it is going to be coming in droves. Our job, as I am just speaking from an EDC standpoint, I agree with Ryan, is to incentivize businesses to give them an opportunity to have a starting shot at success and I think we will. Mayor Countryman said and \$1.5 million over 10 years is \$150,000 a year. President Angelo said it is nothing. It is a drop in a bucket.

Secretary Londeen said the multi-family will be a big drain literally on the water. The improvements to the water well and the wastewater treatment plant expansion, that is included in their share of those potential projects in the future. If you have another 100 gallons they are taking their share of a future 1,000 gallon well, they are going to take 10 percent of that. That is in this impact fee right? City Engineer Roznovsky said yes. Next week we will present updated information to Planning & Zoning and going through updating those impact fees. Prices are not getting cheaper and the timeline is accelerating. These projects that we thought were dead are now coming back, so now there is more that has to be done in a shorter amount of time. Secretary Londeen asked does the City get paid for the impact fees up front? City Engineer Roznovsky said there are two different ways. How the ordinance reads is assessed at the time of platting and due at the time of connection. Since the City is now doing development agreements, we are asking for all to be paid at the time of platting. Montgomery Bend for example, when they did their final plat for section two, they paid all the impact fees at the time of that final plat. Same thing for Redbird. We are writing that into all the agreements now that they are paying at the time of platting. Obviously, commercial gets a little bit harder because we do not know if it is going to be a bank or a car wash on what their impact is going to be, so we are working through that as we speak. We pay an estimated and we pay a true up when it gets to that time to help with that cash flow because that is the biggest thing right now. Just the cash flow to get it in to support issuing debt to continue to fund projects. Board Member Walker said my understanding too, the highest and best use of that piece of property with the multi-family, I kind of answered my own question myself a minute ago, so why are we doing that as opposed to not making commercial

out of it, but I guess the apartment guys are the bank is the bottom line. City Engineer Roznovsky said that is how BCS guys do it. In order to make the deal, they will sell off the 13 to 14 acres on the north end to I believe the Morgan Group for the apartments, so that will help with the upfront cash flow of the deal to get the rest of this going. Mayor Countryman said if I understand correctly, they are the apartments on Pine Lake, those really nice big white ones up there that are high-class A. President Angelo asked how many do they anticipate? City Engineer Roznovsky said roughly 300. President Angelo said really? In the City that stays in the City too? City Engineer Roznovsky said right now we are still in the bubble plan concept. President Angelo said I do not know. This is kind of a no-brainer really. I appreciate Casey's point of view. I just think we have to put a stop at some point. Mayor Pro-Tem Olson said I am not against the development. I am against the election incentivizing something that will come on its own if we wait for the right development. Mayor Countryman said several cities have missed the development window. President Angelo said you have the bird in the hand. It is not every bird that brings in Academy and some other high-end stores. Mayor Pro-Tem Olson said that is the thing. Academy was looking to come before they ever came around. Mayor Countryman asked where were they going to go? I have not heard that. They went to Magnolia instead because the BCS were coming here. They went to Magnolia on FM 1488. Montgomery was not on their radar. Mayor Pro-Tem Olson said they were on because they were calling around. Trust me. This was a year and a half ago when I started talking to Shields. Council Member Fox said they might have been calling around, but I think that BCS actually convinced them that this was the best route.

President Angelo asked so where are we? Mayor Countryman said this is just a discussion. We are just discussing it and if there was anything you see, or questions that you had. Mayor Pro-Tem Olson asked where would you agree to land? President Angelo said the second one. Are we all in agreement? Mayor Countryman said yes. Mayor Pro-Tem Olson said this discussion is for City Engineer Roznovsky to gather information to help with the development agreement. City Engineer Roznovsky said we did not want to write these terms of the development agreement without having this discussion, so now 50 percent less. Now we can switch over to the City side and so we still are trying to get to 10 years. Then, we will take that framework, throw it into the development agreement, and that will have to come back. Mayor Pro-Tem Olson said we have already voted and agreed on the MOU, so all that information is good, other than the red part. City Engineer Roznovsky said on the City's portion, these were just examples with that second column in the 50 percent of MEDC. This is based on that 10-year goal. It is 95 percent of city sales tax, not the tax deduction of the CCPD, but you can spend zero percent ad valorem. We can plug in different numbers to show different options. That still leaves that 50 percent MEDC as one of the benchmarks that we are working off of. Mayor Pro-Tem Olson said me personally, the second one is good for me on the City half. I just want to clarify Chris one more time, and I have asked twice, but I just did not catch it. I know you told us. That bottom line is what we would still retain back through those split percentages right? City Engineer Roznovsky said if you go to that box, the one above total annual city revenue and full build at 1.386. That is all sales tax. When

you look at that second box, that 594 and the 791 equals your 1.38. 791 the City keeps part of that sales tax, part of that ad valorem, part of that MEDC, and the 594. Mayor Pro-Tem Olson said that is a good number.

Mayor Pro-Tem Olson said I do not know how the rest of Council feels. Like I said, I struggle with the reimbursement, but it is what it is. There is a lot of good things that will come from it, but just coming back to us with their handout again for a street. Mayor Countryman said they are not coming back again. This has been part of the whole time they have talked about if this, then this. They have always given us both scenarios the whole time, so it is not like they are going back to the well after this. Mayor Pro-Tem Olson said what we were talking about is the other section of CB Stewart because of the new six-acres. Mayor Countryman said right. He said there was not going to be any additional and said they were not going to come back. City Engineer Roznovsky said I think it is under contract. Mayor Countryman said I have not talked to him about it, but I just know because I said and then what would change and he said nothing. We would not ask for anything. Mayor Pro-Tem Olson said that is them not knowing they have to do the whole street. City Engineer Roznovsky said when I told him the feasibility study was based on the 32, we will do a minor limit to the feasibility, what would this take to add, include those utilities that will go to it, and then address them. My one concern is now CB Stewart. That is what has been communicated to them.

4. Consideration and possible action on a proposed Branding Kit and Marketing Logo for Montgomery, Texas.

Special Events Coordinator Johnson said I just wanted to say that the logo, the marketing that we are wanting to do is not going to replace anything that we already have. It is just a fresh, modern look not necessarily tied to the City, but one that speaks to tourism, economic development, marketing, events, and EDC initiatives. That is the purpose of this. In my opinion, a new logo represents Montgomery in a fast forward thinking, to encourage people to come to Montgomery if they see our website, or brochure, because we have a lot to offer. We have a lot of rich history we need to promote and keep that and move forward with a modern, sleek, attractive logo in addition to what we already have. Does anybody have any questions? President Angelo said I put this handout in front of everyone. Stephanie and I have been going since she began which is four months now. Special Events Coordinator Johnson said since October. President Angelo said you do not go to a concert and see one kind of t-shirt. They have got five, six, seven different types of training going on with that particular enterprise. It is the same thing with the City. We need mugs, coffee. We need other type stuff so that we can get our brand out there. What I did was put together six more logos and I just did it myself. I am not tied to this. This is still a draft. If you see something you like, let us pick one or two and let us push them down the road. Council Member Langley asked you are calling them logos? President Angelo said they are just for branding purposes. Let us say you have a booth and you want a tent. Then you find one of these and say I want to put that on a tent, or you have a t-shirt. Remember we said

the birthplace of the Texas flag? Let us get it out there so we can start marketing it. That is what these are for. These are not necessarily an official seal or official business government logo. Secretary Londeen said that can stay up on the wall. President Angelo said yes, that is not going away. That is history so we will keep that. Special Events Coordinator Johnson asked if I may, can I show you something? I pulled up some logos from nearby towns and I will show you what they are all doing and this may be in addition to their city seal, but it is basically for marketing purposes to give you an idea of what other cities around us are doing. Would you like to see it? Mayor Countryman said sure. I think these will look great, I like these. Mayor Pro-Tem Olson said four and five would be wonderful. President Angelo said maybe we should take a poll. Council Member Langley asked how many do you need? President Angelo said we just need one. Council Member Langley asked are you are going to put it on mugs and t-shirts? President Angelo said yes. Mayor Countryman asked if EDC is going to pay for all that? President Angelo said yes, but City Council needs to approve it. Council Member Langley said then I vote for number four. Mayor Pro-Tem Olson said like I said, if you come up with three, four, or five, I am happy. Mayor Countryman said five needs to be 1837 if we are going to go with five by the way. It says 1836. I am not a fan of number one. Somebody said something about number six. I think we took all the stars off and just one big star on the left side of that because it looks like the lone star. I think that is great. On four and six, I would rather have the “established” to have in our year that we were established, but I am open to any of them. President Angelo said we have three four’s. Council Member Fox asked who is the third person? President Angelo said Dan, so Casey, Carol, and Dan. Stan likes the original. He likes number one. Council Member Donaldson said I do not understand why we do not have something that is going to concentrate on the City. I do not agree with the statement that we need something generic because when you look at Montgomery, people calling here already think we are part of the County. I want something that is going to be on the City. We lost our Chamber. We do not have a City Chamber anymore because they changed the name. President Angelo said I agree with you, but when you fill out an envelope and you put your address on there, it says Montgomery, Texas. Everybody knows that is a city. The question is does it make that big of a difference because branding you want it to be something where you look at it, you see it, you think it. That is all this is about. Council Member Langley asked what did Ryan do? Secretary Londeen said I have caveats on all of them. I like four. President Angelo said the flag is going to have an outline around it. The “established 1837” I like that one. I like number one except for the city. I do not like “city of.” Mayor Countryman said I think it would look cool if it was just Montgomery. Secretary Londeen said we could do just Montgomery and then Texas is always there. Council Member Fox said it is obvious if you just put Montgomery established 1837. President Angelo said we will put established 1837 on number four and then we will put a line around it so it outlines it and then see what you think. Council Member Langley said we are going to redo number four and redo number one. Mayor Pro-Tem Olson said I want to pick two. I like four and five. I want to pick two logos. Council Member Langley said we have been dealing with this too long. Everybody

needs to pick one. President Angelo said how about four and five? Can we get a yes? Mayor Pro-Tem Olson said I am good with that. Council Member Fox said I do not care. Make me a cup and put Montgomery on it. Council Member Langley said number four is fine. President Angelo asked Council Member Donaldson if he is good with that? Council Member Donaldson said for number four, yes. President Angelo said we will make some t-shirts and have fun with it. Mayor Countryman said so we are going to go with number four, but have “established 1837” on it somewhere and outline the flag.

Motion: Mayor Pro-Tem Olson made a motion to accept item number four with the amendment to add established in 1837 as an acceptable logo with the outline around the flag. Number five is the alternate with the updated year. Council Member Fox seconded the motion. Motion carried with all present voting in favor.

CLOSING AGENDA

5. Adjourn.

Motion: Council Member Langley made a motion to adjourn the Special Meeting of the City of Montgomery at 7:03 p.m. Mayor Pro-Tem Olson seconded the motion. Motion carried with all present voting in favor.

APPROVED:

Sara Countryman, Mayor

ATTEST:

Ruby Beaven, City Secretary