



Montgomery City Council Workshop Meeting Minutes January 27, 2025

OPENING AGENDA

1. Call Meeting to Order.

The City Council Workshop Meeting of the City of Montgomery was called to order by Mayor Countryman at 2:00 p.m. on January 27, 2025, at City Hall 101 Old Plantersville Rd., Montgomery, TX and live video* streaming.

* Technical difficulty – audio only for this meeting.

With Council Members present a quorum was established.

Present:	Mayor	Sara Countryman
	Council Member Place 4	Cheryl Fox
	Council Member Place 5	Stan Donaldson

Absent:	Mayor Pro-Tem	Casey Olson
	Council Member Place 1	Carol Langley

2. Pledge of Allegiance.

Mayor Countryman led the Pledge of Allegiance and Pledge of Allegiance to the Texas State Flag.

PUBLIC FORUM

Mayor Countryman stated no one signed up to speak at the public forum. There are two individuals who will speak on the agenda item.

WORKSHOP AGENDA

3. Presentation by BCS Capital on their proposed development on a 32-acre parcel of land located South of the CB Stewart Drive and Buffalo Springs Drive intersection and North of Eva Street.

Mr. Phillip Lefevre said he wanted to take the liberty of going over some of the past history of the property and of the properties in that area generally. Ms. Hillary Dumas will be here shortly and we will give you a copy of the original land plan. When we first started our activities in Montgomery we went through many meetings with City Council and we basically came up with an overall concept of what they call new urbanism, essentially zoning where you can have residential in commercial cumulative, but you cannot have commercial in residential. Residential areas are protected, but if you have a business area ideally designed, people can actually live and work in the same area and

walk to restaurants and have a walkable city. That was the original concept. The City actually hired a company to overview what they were proposing. The company came back and agreed completely with what they were proposing. We had a blank piece of paper which we designed roads and potential uses. Nothing is exact in this world, but these were potential. Essentially, this was our overall idea. It was not written in stone. You could move bubbles around, but the concept was an overall master plan. You can see Ms. Dumas is holding it up, but the difficulty of something like this is you cannot sell one piece of land just for a pad site because if you do it is like making the wrong mark on a blank piece of paper. You have ruined the whole thing. We have had to be extremely careful about how things develop and how quickly they develop. In fact, most of the businesses that are up and down SH-105 have originally come to us and we have said no, we would like to see you but not on our property because our properties need to be centrally planned and that takes very specific developers. So far the first developer was Milestone. I did not agree with everything they did, but overall in the end, the City has the final word and they approved things we would not have approved. They put in Gardener Drive which was one of our requirements and they generally held to a plan that was very similar to the one that the City approved because the City approved all these areas that we are discussing as mixed use. They approved that and as a result, have some drainage problems which is a separate discussion, but you have Kroger and you have Home Depot. When we were talking to Home Depot, we required them to do a tree study. City Council overrode that and let them knock all the trees down, but that is how things go. In the end, City Council is who decides all these things so that has worked. Then they had to be patient. Hartford came along and they did the south side of the road and they have done a good deal. They brought a little bit of a different touch from Milestone so now we are down to what we consider the two remaining properties within the City. The one we are here to discuss today is the one that Jack and James are going to do a presentation on and that is again for Council to decide and discover, but it is an integral step to the final one which is the property that is around the Rampy Pond. First of all, you cannot just sell one piece or another. You have to sell it to a developer who will do the whole thing and handle the whole thing. It also ideally needs to have what we wanted; a market street, medical building, and walking areas. Developers do not do that until you reach a certain critical mass. What is important that we see is these guys have a plan, they are qualified, and they are financially strong. It is better for them to develop the whole piece rather than just come in and buy a pad site or pad sites. That way they control how it goes and the City also is comfortable with how it goes because it can overview the overall master plan of what they do. What is integral for us is it is going to take three to four years, but once they are on the ground and running it will give the City the critical mass to bring in whether it is these same guys or different developers, but to bring in top-notch developers who will have the best land planners and designers and who will basically manage what is most important to us which is the property around Rampy Pond. Mr. Lefevre said he is here today if any questions come up, but really it is their show and he just wanted to introduce them under the context of how they worked with the City on this for over 20 years. Mayor Countryman asked for clarification, Rampy Pond is the large piece of water behind Kroger? Mr. Lefevre said yes, it is 109 acres and it has frontage on the road and frontage around the Rampy Lake. That pond is critical for the drainage. When Kroger was coming in the city engineers at the time decided to ignore a central drainage plan we had approved by both the City and the County. The plan essentially said that the Kroger tract and the tracts we are talking about had specific drainage requirements, but you could avoid detention. The Kroger deal was about to fall through until we came back to the City and said look you signed

a drainage plan that said no detention was required. The County signed off on it and it was well engineered. The problem for us was we then wanted to remind the City that this tract that these guys are buying was part of that drainage plan. It is not you guys, but the City basically ignored its obligations and did not do the drainage through the Kroger tract as they should have done. Now we have to come to plan B which is to find another way to do the drainage, otherwise 30 percent of what they are buying is useless. What we have to lock step with them is when they come up with a plan, we have to be willing to a degree, we are not obligated, but we have to be willing to try to incorporate their drainage into the drainage around the Rampy Pond.

Mr. James Todd, Director of Development with BCS Capital said they are a mixed use retail and industrial developer out of Houston focusing primarily on the Houston MSA, but have projects all around Texas. Right now they are currently looking at this site in Montgomery to be a mixed use residential and commercial development. They currently have one of these similar to this in the City of Magnolia right now off FM 149 and FM 1488. If you turn to the back of this presentation you can see this on page 15. The way they see this Montgomery tract is something very similar to this where you have a mix of junior anchor retailers and then full service restaurants mixed in with residential. This is what they are focusing on now as a company and this site specifically where they are currently looking at different site plans. On page two you can see a layout of juniors in the back including Academy, T.J. Maxx, Ross, and Home Goods with a little bit of retail mixed in on the east end. On the frontage you have quick service restaurants and full service restaurants that they are currently exploring. On page three is a zoomed in version of one of the concepts they are looking at as well as a full site plan of the entire 32 acres. Looking at this they have the optionality they are looking at seeing if they can do a hotel. They have been reviewing those studies right now on a car wash but as the tract lies today it is primarily zoned commercial. One of the things they are exploring right now is looking at changing the zoning of the northern portion of that land to accommodate more of the mixed use that Mr. LeFevre has referred to that was previously in the plans of the City of Montgomery when they looked at all that extensive land planning. Some of those examples of these multi-family projects can be seen on page nine and 10. They are trying to partner with some of the more quality multi-family developers in the Texas Market. These would be three story, fully amenitized projects, a little bit higher class than what has previously been built in the City of Montgomery today. With all of that being said, the right side of this is these tenants and then this multi-family project will generate a significant amount of sales tax and property tax for the City of Montgomery. On page five there are some rough directions over a 15 year period just to show the magnitude of what a mixed use development like this brings to a tertiary market like Montgomery. Stabilized figures for just property tax alone and total value of what they would be creating on the ground is roughly \$90 million in value at full stabilization. What that means on the sales side is that it would be roughly conservatively in a fully stabilized year \$66 million in total sales depending on what the City of Montgomery takes away. That is a huge needle mover in what you are able to do economically. There are some of the challenges that we have to face that Mr. LeFevre referred to earlier with drainage to Rampy Lake and there is a significant amount of infrastructure that they are going to have to put in to accommodate these tenants and the multi-family projects on the northern portion of the tract. They are currently exploring what all of that is going to cost and they are working through that today as they work with these tenants and see who is interested in running all of our studies. They are

looking forward to reviewing the feasibility report the City is currently preparing and they are super excited about this.

Council Member Donaldson said he would like more clarification about the drainage because Mr. LeFevre said that 30 percent of the property was useless unless we did something with the drainage. He asked if it was because the land is too low or the infrastructure was not developed properly? What caused that to come to pass? Ms. Dumas said they had two central drainage plans that had incorporated Ransom's and 30 acres and the 110 behind Kroger including Kroger. As Mr. LeFevre mentioned earlier, that was what enabled Kroger to go forward with their development without having to dedicate the five acres that they were going to for retention detention. Along the way when Kroger submitted their plans to the previous city engineering and Mr. Jack Yates was the City Administrator, we reminded them throughout the process that the central drainage plan had to take drainage from the west and it would go east through Kroger. During approval of those plans which we do not approve engineering plans, the City does, they did not allocate enough space so the storm sewer going through Kroger does not accommodate anything to the west or to the northwest. Essentially that property gets cut off from the overall drainage plan rendering that, I will not say obsolete, but it does not work anymore because Kroger does not have the capacity to take the drainage that it was supposed to take from the west and bring it through to the creek and the bridge area there. Now that 30 acres and that is part of this discussion with Jack and James and those guys, it is a stand alone piece. For all of that property now there has to be detention, you have to incorporate drainage. Unfortunately, the people that made those decisions are not here anymore, but we are left holding the bag and BCS is left holding the bag to incorporate now on-site detention and that drainage that should have gone east. Ms. Dumas said you have to do something. There are ways you can be creative and there are ways you can do it. There are potentially ways the pond could be involved. From their standpoint and their discussions with them early on was 30 acres is a stand alone because down the road they do not want to be in the same situation with the City that we are today; sitting here having agreed to a drainage plan and we are all fat and happy and BCS does their development and we are all happy. Then we go to do the 110 and rules have changed, personnel has changed, everyone says we do not remember anything about that sorry, you are on your own and now we have again lost value on the 30 acres. What they are purchasing it for is a different price than it would be had that central drainage plan been followed. We are nervous doing something with the pond and then down the road losing value on the 110 because we run into this again. Council Member Fox asked how many acres is Rumpy Pond? Ms. Dumas said approximately 15. She said when you do that there are going to be things you dig out more, but none of us today know what that land plan actually looks like. The overall goal when they did the land plan 15 almost 20 years ago was it was really bubbles that you can pick up and move around because we do not have a crystal ball and we do not know what today is going to look like. Even the land planning the City is doing for the different properties, BCS brings in a great plan and they have hotels. It is not exactly what you thought it would be, but it works for the City and it compliments everything. Obviously, we all want that to happen. It is not something that we want to stand by a land plan that was done 20 years ago. If you can make it better, we all want to make it better.

Council Member Donaldson asked if they make a correction for the 32 acre plot what are we going to do about the other 104 acres because he does not want to get into the same situation where we did a development for Kroger and we did not follow the plan

and now we are going to do something different for the 32 acres? When the other 102 acres comes to pass, are we still going to have this drainage issue or is there any way to try to cope with the drainage issues for both parties? Leslie with L Squared Engineering said she is helping out Jack and James on the 32 acres, but they are actually working on updating a drainage model with conveying the 32 acre flow, seeing what they can do and also accounting for the 110 acres as well so that that will not be an issue as their goal moving forward.

Mayor Countryman asked is this piece the highest elevation part of all of Buffalo Springs? Mr. LeFevre said the road frontage of the 110 acres on the loop is the highest point. Of the 110, about 94 acres drain into that one catchment into the pond. Everything in the 110 except for about five, six, seven, or eight acres on the corner of Buffalo Springs Drive and the loop that drains through. When we did our subdivision he believes they took a lot of that drainage into consideration there. The drainage right now is important because we are not going to sell and they are not going to buy. All those things are the loose ends, but the important thing is to come up with the final solution that incorporates that now and that correct, what happened during the Kroger period and moves us forward hopefully is recorded better by the City, no disrespect, but so they remember what they agreed to. That is essentially what is going on here. It cannot be piecemeal. You have to look at the 32 acres as one and it has to stand alone if it has to stand alone. If the 110 can help rectify the problems that were caused, but not hurt the 110, to him the 110 is four or five years away so we just need to make sure. If the overall picture works long term, works for them, and the City, he believes these two tracts will become an attraction to people. It is easy to build houses. Everywhere you look there are thousands of lots going in and houses going in. What the City to him needs to be philosophically is the place everyone says they come from Montgomery even if they do not come from Montgomery. If they want to do something they come to the City, they do not go elsewhere. What we do on this tract or they do, and what is subsequently done on the 110, those to him should become ultimately the magnet that makes the City cohesive and makes it a place where people want to come because it is convenient. They do not have to get in traffic jams, they do not have to commute. He can throw out lots of ideas for the 110, but they would love the market street. No market street unless people are coming shopping. They love some of these other things, you do not always get what you want, but you at least do the building blocks so that is possible at a future date.

Council Member Donaldson asked how soon do you need to know whether or not we can or want to approve a zoning change for that property? Mr. Todd said specifically to the zoning change of multi-family on the northern portion that would be crucial to us being able to pull off the frontage of this tract. Without that, then they are left with too much land with not an attractive use of the price for square foot they would need so it is very important to the overall development of the 32 acres.

Mayor Countryman said on this map the subject property is in two different colors. There is a green and there is a yellow. What is the differentiation? What is the green versus the yellow? It looks like there are two different zones or different pieces that will have to act differently. If she is hearing Mr. Todd correctly, the green part is going to be the multi-family. Mr. Todd said that is correct. Mayor Countryman asked what does that mean to us? Does it mean it is under the plan development (PD) directives? Mr. LeFevre said part of the difficulty is the PD has expired, but at the same time a lot of

these actions of where these roads go, where they are placed were based on the City agreeing tentatively to our land plan. If you overlay the plan we have shown you, it has always been mixed use. Where it says subject tract, the City already had as commercial. The green above would in our plan there is already approved under the PD as being mixed use. Everyone talks about a change of the zoning, but in reality most of the stuff along the loop and everything else, if you look at the land plan that we have provided you which the City did agree to, you are not really changing the zoning. You are just sticking to what the City agreed to when we had the PD. The fact that the PD has expired does not change the deals done during the PD if that makes sense. Mayor Countryman asked The City basically approved conceptually how the PD would work. Subsequent to that, our involvement in the PD is making sure people do not do something crazy. There was one developer who tried to do something crazy and we shut them down because they were going to put warehouses where warehouses should not go. Our only benefit on the PD was the ability to oversee the zoning and make people do what was in the overall picture. If you were to look at the green, most of it has been developed. What is left is frontage along Lone Star Parkway and frontage along Buffalo Springs. If you look at the plan that we provided the City and the City agreed to previously, that all technically is mixed use or was accepted as mixed use. Whether that is something you have to change, he does not know how with the PD expiring whether that suddenly said all these road are no good or whether it was that was the plan that was agreed to and that is what the City will continue to allow to be followed. That is something only Council can choose. Ms. Dumas said if you look at what the City is working on now, this green area at the top just for discussion purposes of to keep it for today, BCS what we are talking about, that triangle, realistically that is going to be commercial or an excuse anyway. No one is building houses there and no one is doing anything different. You look to the east of that and that is the new church so again, we are not putting uses next to each other that are not compatible or illogical in any way. If you were to talk to KKC they have similar mixed use. Their concepts in the ordinances they are working on for the City now incorporate mixed use and residential above retail, live where you work. Everything blends together. None of this and none of what BCS she thinks is proposing is different or really contrary to what generally we have all been working towards. The City consultants have been changing or updating your ordinances to reflect that. For BCS, what is important for them is this triangle. If you look to the northwest of the triangle, roughly it is a 6.8 anchor property that is already zoned. It is platted commercial already so you have different things that do not necessarily matter for today's topic. What BCS is talking about really still lines up with what the City has been talking about generally. They just need a concrete answer from the City in terms of aye or nay so they can move forward and make their decision one way or another. Council Member Fox asked if she was talking about the church area? Ms. Dumas said yes. This is the church right here and they had the same discussion with the City. If you are looking at the church property, see where it says subject tract on the green and yellow that you are looking at, to the northwest there is a piece that is green and yellow and that is the church property. The church had the same discussion with the City and went through similar discussions about their zoning because they had this. Once the PD expired, that same issue applied to them. If you look at the overall master plan that was originally going to be assisted living and a hospital so the church is not actually too far off from that type of use.

Mayor Countryman said what she will say in favor of this is when Home Depot approached us and all these other big boxes out east, we did want to have a buffer

between our downtown which under this new administration we are putting back as a focal point and continuing back where we were in 2020 with the downtown plan to update our downtown to make this a desire because yes, there is going to be an automatic heartbeat where you all are here, but truly it is half a mile down the road and that is really where she calls it the crown jewel is. That is where we really want that walkability space because all the residential is here. You truly could take a golf cart and come over here and then hit our historic downtown. It does make nice for that workplace, live vision that we have talked about before and it is not far off. She does know they have talked about multi-family and there is probably going to be more discussions about what that looks like. Drainage is a hot topic, but definitely in today's world and for the City it is a hot topic. She does not think this Council would have the desire to make you go neck deep into drainage, but also at the same time, we want to make sure that you are taken care of as well as the neighboring properties and it is done correctly.

Mayor Countryman inquired you do not have a 100 percent anchor store yet or are you close, or you have an idea? Mr. Todd said as of right now Academy is super interested. This week is a pretty big deal in the retail world. There is ICS up in Dallas so there will be discussions there with them later this week. As for the other smaller anchors, no, not at this moment, but Academy is super serious about it and are starting to talk about the economics of the deal.

Council Member Fox said she was going to ask about the hotel. What are your thoughts about the hotel? Mr. Todd said right now that is all conceptual. Council Member Fox asked if it is Motel 6? Mr. Todd said it would not be Motel 6. Mr. Todd said he is trying to think quality parallels. Something like a Hampton Inn or that level of quality. Council Member Fox said Home Suites. Mr. Todd said Home Suites would probably be a touch below, but yes. He does not want to get tied to one thing as this is all conceptual still. Mayor Countryman said she believes KKC on their map have a hotel on Rumpy Pond conceptually.

Council Member Donaldson asked if the conceptual idea is that this part of the 32 acre tract we want to keep commercial and the most northern part is going to be residential? Mr. Todd said exactly. At a minimum it would probably need to be 14 acres of multi-family to the north, but it will probably end up being just based on the depths closer to somewhere in the 14 to 17 acre range.

Mayor Countryman asked if I heard you correctly, you are willing to if necessary put in a detention pond and have that work as a feature? Mr. Todd said everything at that front is a function of cost and depending on how much land we lose versus how much that infrastructure costs. There is a world where maybe putting three acres of detention is actually more cost effective than draining under Buffalo Springs. At this point, we have no clue on cost so we will have to keep evaluating. There is a world where we still develop this tract with a little bit of detention, but it becomes probably increasingly harder if he had to guess.

Mayor Countryman said the discussion today is just to get the temperature if we are interested in moving forward if we like the idea. We are not voting on anything. Mr. Todd said absolutely. This is more of a we want to get familiar with you all and work together. We do not want to put a band-aid on a situation with the drainage and potentially bastardize another tract further down. That does not do anything for anyone.

With those tracts success, then most people will shop our retail. It is all about synergy. The other part of that is making sure that you are all aware that if we are to do this overall development that multi-family will have to be a portion of it. We are not saying that we are going to build anything similar to what you have seen and disapproved of recently. This would be a higher quality multi-family project that complements our retail well.

Council Member Donaldson said so far if they need an indication he does not have any problems with it. Council Member Fox said she does not either. It sounds like it is going to be a great project. Just make sure it is close to what Mr. LeFevre envisions.

COUNCIL INQUIRY

No Council inquiry for this meeting.

CLOSING AGENDA

4. Adjourn.

Motion: Council Member Fox made a motion to adjourn the Workshop Meeting of the City of Montgomery at 2:39 p.m. Council Member Donaldson seconded the motion. Motion carried with all present voting in favor.

APPROVED:

Sara Countryman, Mayor

ATTEST:

Ruby Beaven, City Secretary