

Montgomery Economic Development Corporation
AGENDA REPORT

Meeting Date: 06-20-2022	Budgeted Amount: \$600,000
Prepared By:	Exhibits:
Date Prepared:	

Subject

Purchase of real estate

Description

The MEDC's Downtown Design Master Plan's vision is to create a beautiful Historic Downtown that provides an enjoyable customer experience throughout the week and enables businesses to thrive. One of the opportunities identified in the plan was the corner at Hwy 105 & Hwy 149, which is currently leased by the City of Montgomery and contains an electronic sign.

This corner is highly visible with an estimated 25,000-35,000 vehicles traveling past it per day. Our long-term access to the corner has given the City the ability to communicate with residents and visitors and provide a hint that the corner is the gateway to the historic downtown. Purchasing the property would provide the opportunity for a larger, highly-visible landmark to be constructed that welcomes visitors and celebrates #HistoricMontgomeryTX. Additionally, the purchase of the property by the City would prevent the construction of what would likely be a fast food restaurant, gas station, or other commercial establishment that would be attracted to the high traffic corner. While the commerce would welcome, it would detract from the historic nature of our downtown and prevent the establishment of a gateway to downtown, which is needed.

At this time, there is no plan for a monument or any change to the electronic sign. The City and MEDC are content with the terms of the lease on the property, but the property owner wishes to sell, which is what is driving the timing of the transaction.

The MEDC has been represented by Wade Nelson, who is also a Board Member. Mr Nelson has very generously waived his fee for this transaction.

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The price being paid for the property, which is slightly over 0.4 acres will be \$600,000. It is a high price point for raw land in the downtown area, but the high traffic volume and corner lot make it particularly valuable.

The purchase should be paid for out of accumulated funds. At this price point, it would not be in the MEDC's best interest to borrow, as the origination fees would be too high.

Recommendation

Approve purchase of "Adams Park" for \$600,000, to be purchased with MEDC's bank balance.

Approved By

City Administrator

Date: