

MINUTES OF REGULAR MEETING

June 17, 2019

MONTGOMERY ECONOMIC DEVELOPMENT CORPORATION

CALL TO ORDER

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

Present: Rebecca Huss - President
 Bill Hanover – Vice-President
 Julie Hutchinson - Treasurer
 Tom Cronin – Board Member
 Cheryl Fox – Board Member

Absent: Amy Brown – Secretary
 Bob Kerr – Board Member

Also Present: Richard Tramm – City Administrator
 Jack Yates – Consulting City Administrator

OPEN PUBLIC COMMENT

No public comment.

APPROVAL OF MINUTES

Minutes of May 20, 2019 Regular Meeting –

Mr. Cronin asked for the minutes from May be corrected to show the correct spelling of Mr. Holbrook instead of O'Rourke.

President Huss asked for comments on the minutes as presented. Mr. Cronin made a motion to accept the minutes as presented with the noted correction, seconded by Mrs. Hutchinson. All in favor. (5-0)

MONTHLY FINANCIAL REPORT

Report for May, 2019

Mrs. Hutchinson said the EDC had a CD mature that was not discussed during the May meeting. She stated the funds were moved into TxPool.

Mrs. Hutchinson said there were just three cash transactions in May. These transactions were a payment to HMBA for the Antiques Festival and a couple of payments for the Home Grant for which the EDC should be reimbursed.

Mrs. Hutchinson further said the sales tax for May was more than was expected in the budget.

Motion by Mrs. Fox, seconded by Mr. Hanover to approve the May 2019 Financial Report as presented. All in favor. (5-0)

CONSIDERATION AND POSSIBLE ACTION

5. Consideration and possible action regarding request from Lake Conroe Rotary Club regarding Memory Park Improvements – Gary Milleson

Mr. Milleson, a member of the Rotary Club's Executive Committee that manages Memory Park, spoke on the erosion problem of the park's northeast corner. Mr. Milleson said because of the Rotary Club's limited budget, they are asking for consideration of a grant to install a concrete bulkhead to secure the area as a permanent solution to the erosion problem.

Ms. Harriet Kerr, a member of the audience, spoke on her concern for the erosion at Memory Park

Mrs. Huss asked Mr. Milleson to discuss the process the Rotary Club underwent in setting up the proposal with the city. Mrs. Huss said in the past the City worked with the City Engineer and Public Works department before hiring an outside company.

Mr. Milleson said there has been discussion with Public Works, but this project has not been a priority. The Rotary Club feels attention needs to be given to this project to avoid further damage.

Mike Muckelroy, head of Public Works for the City of Montgomery, said he was originally told \$5,000 was needed for the project. Mr. Muckelroy said a couple of weeks later, he spoke with City Administrator Richard Tramm and was shown numbers completely different. He said he is confused "as to what exactly is going on", because he is now being told there are two separate projects. Mr. Muckelroy explained he was told the \$5,000 was for bulkhead, but the proposed project is for the east side of the park.

6. Report regarding financing alternatives for Downtown Streetscape Project

Mr. Yates said his estimate of the cost of the Streetscape Project will be around \$300,000. Mr. Yates said he sees three ways of accomplishing funding.

Mr. Yates said one way is to phase the project over a three-year period, and MEDC could allocate \$75,000 per year within the existing budget, and the City could allocate \$25,000 per year within the existing budget. The problem that Mr. Yates sees with this plan, is that this is conceivably a nine-month project, so spreading it out over three years would equate to doing one third of the project each year. Mr. Yates said this would leave the streets "torn up" for three years or improvements get delayed. He did not see this as a very popular option.

Mr. Yates said the second way would be to complete the project in nine-months. He said MEDC could allocate \$250,000 from the 2019-2020 budget or use part of its fund balance. He said the City could easily allocate \$50,000 within the 2019-2020 budget. Mr. Yates said this way the project could be funded all at once and complete in nine months. He said the problem with this plan is "that the city has more needs than just this one project". Mr. Yates reminded the board the City has discussed additions to City Hall or the Police Department for several years, as well as park and street improvements.

Mr. Yates said the third alternative is to group together Downtown Streetscape, street improvements, a new police station, an outdoor entertainment park, and traffic improvements into one \$1.3 million project funded by a ten-year note. He said this would be affordable with the Debt Service Fund while still leaving options for additional water and sewer needs. Mr. Yates said he sent a copy of this proposal to the Planning and Zoning Commission, Mayor and City Council.

Mr. Yates so no action is required of the EDC and he will ask City Council if they would like to designate the Planning and Zoning Commission as the co-ordinating group to formulate a specific listing of projects and funding needs to be presented to the MEDC and City Council, and then to the voters.

Mr. Yates said this does not have to be General Obligation Bond, requiring a vote of the public, but could be a Certificate of Obligation, which does not require a vote of the public. He did suggest that if the Board or the City decide to do a Certificate of Obligation, they should hold public forums to get public input.

Mrs. Huss said her concern is that most of these items are unrelated to what the EDC is trying to do with the Streetscape and would cause delay before any improvements could begin. She said doing the Streetscape at one time, instead of spreading it out over years, has some attraction to her. She said if the EDC has to wait until the City is ready to do the Police Station and traffic improvements it could be a long wait, where the EDC has the funds to proceed on the Streetscape immediately, if Council allows it.

Mr. Yates said the timeline would probably be this fall or early next year.

Mrs. Huss said the EDC would need the general authorization from Council before engaging an architect or a planner, and proceeding further.

Mrs. Fox said combining it with other city improvements makes the Streetscape feel like an afterthought.

Mrs. Huss said doing everything together may solve everyone's goals at one time.

Mr. Hanover said he would rather not "worry about" the Police Station and all the other items, and instead focus on the Streetscape and "not drag it out."

Mr. Cronin said there needs to be good communication with downtown businesses and a good plan in place to take care of the businesses during construction.

Mrs. Huss asked Mr. Yates what the EDC should be doing to be ready to proceed with the Streetscape Plan. She asked if the EDC should start looking at RFQs from designers and architects.

Mr. Yates replied the EDC probably should start that process.

Mrs. Huss said there needs to be a determination of what skills gaps are needed and what professionals need to be hired.

Mrs. Huss said the EDC needs to potentially have a deficit budget next year if the EDC is going to spend down its savings in order to make this project happen in the nine-month timeframe.

Mrs. Hutchinson said the current budget has \$60,000 if the EDC would like to move forward with planning.

Mr. Yates said the \$60,000 was for specific improvements with an additional \$20,000 set aside for professional services.

Mrs. Huss asked Mr. Tramm to move forward with identifying which professional services are needed and begin the RFQ process.

7. Consideration and possible action regarding Southern Rum Runners and MEDC Agreement

Mr. Holbrook, from Southern Rum Runners said he spent the last month brainstorming possibilities to utilize the downtown area of Montgomery. He said between last month's meeting and this month's meeting, Governor Abbott signed into law what is called the "Beer to Go" Bill. Mr. Holbrook said, as a retailer, he is unsure how this new bill will affect Southern Rum Runners providing alcohol at festivals.

Mr. Holbrook explained currently SRR's festivals are based around craft beers. He said with this new bill, the distributors are being cut out of the process, so now craft beer establishments may now sell to the general public. This means the distributors are cut out from a retail standpoint but not from a wholesale standpoint. He will be going to Austin to meet with his attorneys to better understand the ramifications for SRR.

Mr. Holbrook said SRR is proposing two family-friendly festival options and will bring financial proposals for each. He said SRR would like to utilize the entire downtown area for events; possible parking off-site, even on some private land on the loop and using shuttles; and not

requiring MEDC to have financial input, because it will be a privately held festival. Mr. Holbrook said a discussion could be held in the future concerning a profit share between SRR and MEDC, and splitting up the undefined costs such as fencing and security. He said the majority of costs will be provided by sponsorships. Mr. Holbrook said SRR expects approximately 2,500 to 3,000 people and is looking at March 7, 2020 as a possible date.

Mr. Holbrook said the two ideas were derived from the desire to create unique events. The first event is Whiskey, Wine and Walkers. Mr. Holbrook explained this would be a more "high-end dining experience" with dog training services, a dog show and focused on a family environment. The second event would be a "First Annual City of Montgomery Crawfish and Cocktail" event. Mr. Holbrook said there would be kids and youth activities: carnival for the kids and a petting zoo.

Mrs. Huss asked about the cleanup after eating crawfish.

Mr. Holbrook said SRR brings in wash stations, partners with waste companies to provide waste receptacles, and provides employee pick-up crews.

Mr. Holbrook said SRR will present the proposals at the August meeting.

Mrs. Hutchinson reminded the Board it had been looking at the first weekend of March 2020 for the proposed Lone Star Flag Festival.

Mr. Holbrook said the dates of the proposed SRR events are flexible.

Mr. Tramm asked if the Board would like him to contact the attorney and start the process of writing a contract to expedite the process.

The Board agreed.

Motion by Mrs. Fox, seconded by Mrs. Hutchinson to authorize Mr. Tramm to work with Southern Rum Runners to create a contract for the Board to review it at the next meeting. All in favor. (5-0)

8. Consideration and possible action regarding McCown Street Drainage Improvement project.

Mr. Muckelroy brought this action item back to the Board for a vote because the Board was unable to vote on the item during the last meeting.

Mr. Muckelroy said this project is a safety issue as well as improve the appearance and use of the area. He said this portion of the project is having the contractor bring in two saddle boxes as well as two custom boxes on each end. After the contractor has completed this portion of the project, Mr. Muckelroy said Public Works will fill and cover the area as well as plant grass.

Motion by Mrs. Huss, seconded by Mr. Hanover to approve the McCown Street Drainage Improvement project with the funds coming from the EDC's Utility Extension budget line item. All in favor. (5-0)

9. Report regarding investments of the MEDC Treasurer and City Administrator

Mrs. Hutchinson said the CD that expired on June 6, 2019 was moved to TXPool because the money will be more accessible and the rate will increase from 2% to 2.43%. She said she pulled CD rates for other banks and the highest 6 month CD rate is 2.5%, with 12 month CD rates at 2.6%, so the difference in interest rates is small compared to TXPool and CDs do not offer the accessibility that TXPool offers.

Mrs. Hutchinson said in the future, funds could be put back into CDs if the Board chooses, but with the Streetscape project on the horizon, having access to the funds would be beneficial.

No action was taken on this item.

10. Discussion regarding Tourism and Marketing Director position.

Mr. Yates said he added this item to the agenda in case the Board wished to discuss this item in generalities, but this will be covered in Executive Session.

Mr. Yates mentioned four applications have been received for this position.

No action was taken on this item.

11. Economic Development Reports

Engineer Report –

Mr. Yates provided the Engineer's Report for the Board.

Development Status Report –

Mr. Yates provided the Development Status Report for the Board.

Tourism and Marketing Report –

No report was provided.

12. Adjourn into Closed Executive Session at 7:24 p.m. as authorized by the Texas Open Meetings Act, Chapter 551 of the Government Code, in accordance with the authority contained in the following:

- a. Section 551.074 (personnel matters) relating to Marketing and Tourism position.

13. Reconvene into Open Session at 7:51 p.m.

14. Consideration and possible action(s) if necessary, on matter(s) deliberated in Closed Executive Session.

No action was taken.

BOARD INQUIRY

No Board Inquiry

ACTION ITEMS FROM JULY MEETING


<i>ACTION ITEM</i>	<i>ASSIGNEE</i>	<i>RESULT</i>

ACTION ITEMS FOR FUTURE MEETINGS


<i>ACTION ITEM</i>	<i>ASSIGNEE</i>	<i>DUE DATE</i>
Transfer of budget funds from Events line item to new Memory Park line item.	Tramm	
Prepare proposed contract with SRR	Tramm	

ADJOURNMENT

Motion by Mr. Cronin, seconded by Mrs. Fox to adjourn the meeting at 7:52 p.m. All in favor. (5-0)

Submitted by:  Date Approved: 08-19-2019

Amy Brown, MEDC Secretary



Rebecca Huss, MEDC President

