

MINUTES OF REGULAR MEETING

January 21, 2019

MONTGOMERY ECONOMIC DEVELOPMENT CORPORATION

CALL TO ORDER

President Rebecca Huss called the meeting to order at 6:06 p.m.

Present: Rebecca Huss - President
 Bob Kerr – Vice President
 Amy Brown – Secretary
 Tom Cronin – Board Member
 Bill Hanover – Board Member
 Julie Hutchinson – Board Member

Absent: Cheryl Fox – Board Member

Also Present: Jack Yates – City Administrator
 Katrina Moore – Director of Marketing and Tourism
 Sara Countryman - Mayor

OPEN PUBLIC COMMENT

No public comment.

APPROVAL OF MINUTES

Minutes of December 17, 2018 Regular Meeting –

President Huss asked for comments on the minutes as presented.

Mrs. Huss stated the minutes were “very thorough”. She said, “I appreciate that, especially as per the discussion about the festivals, because I think that that could come up later and I think it is useful to be able to refer back to decisions that we made and be able to understand why we did what we did.”

Mr. Kerr made a motion to accept the minutes as presented, seconded by Mr. Hanover. All in favor. (6-0)

MONTHLY FINANCIAL REPORT

Report for December, 2018

Mr. Yates explained the monthly expenditures, in the amount of \$7,710.33, went towards removal of blight, Christmas decorations, reimbursement of individual Distrx costs for one of the first ten businesses who signed up for the app. He stated nine more businesses will receive the same reimbursement. This reimbursement was agreed upon by the Board to incentivize businesses.

Mr. Yates pointed out that revenue was greater than expenditures for the year, but “we’ve had a slow start as far as expenditures go.”

Mrs. Huss noted that sales tax revenue was below expectations.

Mr. Yates said the city receives a big quarterly payment in February.

Ms. Hutchinson asked if there was a plan for the CD which is going to mature on January 27th.

Mrs. Huss said that unless the EDC has expectations of a large capitol investment, Cathy Bronco automatically rolls over the CDs.

Mr. Yates said that he wanted to check with Ms. Bronco to see the rate of that CD and then decide what to do with the funds.

Ms. Huss suggested a look into bank rates and make sure we have efficient cash management procedures.

Motion by Mrs. Brown, seconded by Mr. Cronin to approve the December 2018 Financial Report as presented. All in favor. (6-0)

CONSIDERATION AND POSSIBLE ACTION

5. Annual Meeting.
 - (a) Report of Activities

Mrs. Huss noted that Mr. Yates compiled a list of MEDC accomplishments for 2018 and asked if anyone had comments on the list.

Mr. Hanover said the list states “decided not to support a sidewalk placement along S. Clepper Street.” He felt it “a little misleading”, because the MEDC vote was in favor of the sidewalk project, but the City Council did not support the project.

Mr. Yates agreed and said that he should probably just remove that item from the list.

Mrs. Huss said that she believed more important was the one-year goals and how the EDC is going to get those accomplished this year. She suggested parceling those out or setting the Board some interim deadlines.

Mrs. Huss asked Mrs. Brown if she had the list of goals available. Mrs. Brown did not, but suggested that the Board could address the item in February’s agenda.

Mrs. Huss agreed and also felt it would be a good idea to include the one-year goals in every month’s agenda to make sure that the Board is actively moving forward on the goals.

Mr. Yates said he had a copy of the goals and read them for the Board.

Mrs. Huss said Ms. Moore has already begun working on some of the goals. Mrs. Huss suggested that the Board start becoming proactive on three goals: the construction mitigation strategy for the 149 Project, the minor festivals, and the front foot assessments/special tax abatement district.

Mrs. Huss suggested Mr. Cronin become involved with the construction mitigation strategy and he agreed. She also stated that she would be interested in spearheading the tax abatement district.

Mrs. Hutchinson asked for an explanation of the front foot assessment/special tax abatement district.

Mrs. Huss replied that incentivizing downtown investments by landowners or investors could be accomplished by reducing property taxes and taxes from other taxing districts. This would also encourage landowners and builders to create more aesthetically pleasing buildings that fit into a historic area, instead of taking away rights of property owners.

Mrs. Brown asked what Mrs. Huss expects herself and Mr. Cronin to have ready for next month’s meeting.

Mrs. Huss said that she would like “just the parameters of issue, who the stakeholders are and maybe next steps. Just basically, identifying where to start.”

Mrs. Huss also said the minor festivals should be assigned to Ms. Moore. Ms. Moore agreed.

Mrs. Huss said that it would be a good idea to find another person on the Board to collaborate with as well as people outside the Board who have an interest.

Mr. Cronin asked if there was a liaison on the Board who is dealing with TxDot.

Mrs. Huss said that it is being handled by the City and possibly coordinate with Mr. Yates on that topic.

(b) Financial Report

No additional discussion.

(c) Items Planned for 2019

No additional discussion.

(d) Election of President

Mr. Kerr stated that he felt a Council person was the best person to serve as President of the EDC since the Board serves at the direction of the City Council.

Mrs. Huss said she felt if a Council person were elected President of the EDC, then in negotiations that include MEDC and MEDC funds, a non-Council member who is on the MEDC Board should sit in to insure there are no decisions made without MEDC knowledge.

Mrs. Brown nominated Mrs. Huss to remain as President. Mr. Kerr seconded the nomination. All in favor. (6-0)

(e) Election of Vice-President

Mr. Kerr requested that he not be nominated for another term as Vice-President in order to allow another Board member the opportunity.

Mr. Cronin nominated Mr. Hanover for the position of Vice-President. Mrs. Brown seconded the nomination. All in favor. (6-0)

(f) Election of Secretary

Mrs. Huss nominated Mrs. Brown to remain as Secretary. Mr. Kerr seconded the nomination. All in favor. (6-0)

(g) Election of Treasurer

Mrs. Brown nominated Mrs. Hutchinson for the position of Treasurer. Mr. Hanover seconded the nomination. All in favor. (6-0)

6. Consideration and possible action regarding Historic Montgomery Business Association Antiques Festival Funding

Kambra Drummond was present representing the Historic Montgomery Business Association.

Ms. Drummond stated the HMBA currently has fifty-five paid vendors for the upcoming Antique Festival in May of this year. This is half the number needed to fill the tents that are ordered at this time. She said the HMBA is planning on adding two additional tents which will allow for twenty-two more potential vendors. If all of the tents are full of vendors, this year's Antique festival will have approximately a 20% increase in vendors over last year.

The footprint of the festival will be changed this year by not using the parking lot on John A Butler because of issues in previous years with the business owners who rely on that parking lot to operate their businesses.

The Montgomery County Animal Shelter has asked HMBA for permission to do adoptions during the festival.

Ms. Drummond said the HMBA normally does not start planning the festival until February, but this year, planning was begun earlier and advertising flyers for the festival will be ready this upcoming week for distribution.

Mr. Cronin asked about the financials from the festival in 2018.

Ms. Drummond provided an expense report stating the total income for 2018 was \$30,085.00, expenses were \$18,717.20, leaving a profit of \$11,367.80.

Mrs. Brown asked the HMBA how the profits from the 2018 festival were used.

Ms. Drummond stated that the money pays for expenditures for the 2019 festival. The majority of those expenditures must be paid upfront. The profits from the Antique Festival also fund Sip and Stroll which is not self-sustaining when you account for replacement of supplies and proposed lighting for the event. Any remaining profits are spent on advertising including t-shirts, the billboard on 105 and magazine advertisements.

Ms. Brown asked if the city logo was on the HMBA's advertising for the Antique Festival.

Ms. Drummond stated that she did not believe so because there was never a request to do so.

Ms. Brown said the External Festival Guidelines now require that the city logo be used on all marketing materials.

Ms. Hutchinson asked if the HMBA planned on doing anything special this year since this is the 20th annual Antique Festival.

Ms. Drummond stated t-shirts are being made and the advertising has been updated to highlight the anniversary. She said the HMBA did not want to spend a great deal of money to create specific merchandise because it can not be reused after this event.

Ms. Huss reminded Ms. Drummond that support from the MEDC for this event was not to be used for scholarships or fundraising. The money is only to be used to fund this festival and "as collateral, other things that are economic development related."

Mr. Yates pointed out that even though this is the 20th anniversary of the Antique Festival, it is only the third year being run by the current organization. He also stated that even though the festival was profitable last year in the amount of \$11,367.80, those funds are the seed money for this year's festival which may or may not be profitable due to unforeseen events such as weather.

Mrs. Huss said she appreciates the effort from the HMBA to make strides toward increase the festival size and not continuing to do "just the same old thing."

Ms. Huss explained that planning this year's festival has been very difficult for the HMBA due to the unexpected, recent death of one of the festival's organizers.

Motion by Mr. Kerr, seconded by Mr. Hanover to approve the HMBA request of \$10,000 for financial support of the 2019 Antique Festival. All in favor. (6-0)

7. Consideration and possible action regarding the budget for the Lone Star Flag & Food Truck Festival.

Ms. Moore presented the festival cost estimate for the 2019 Lone Star Flag and Food Truck Festival.

Mayor Countryman gave an explanation of the reasoning behind organizing the new festival. She stated the fact that Montgomery has a unique historic significance in the state of Texas, in that Montgomery is the birthplace of the Texas flag. A flag that is recognized throughout the world. She expressed her desire for Montgomery to do more in promoting that badge of honor and one way would be to have a Texas Flag Festival.

The Mayor stated that because Texans are very proud of their state, this festival could potentially draw people from all over the state and bring in a "different crowd than might attend the Antique Festival or the Wine Fest." The goal is to be family oriented during the day and geared toward adults during the evening.

The Mayor also noted that food trucks "are a big deal" and with limited restaurant seating downtown, adding food trucks would allow more people to be fed without long wait lines at restaurants.

Ms. Moore said the plan is to have a vintage car and block party the evening of the first day. The second day would be the full day of the festival featuring "a couple of live bands", a DJ, a kid zone area and "shopping nestled downtown to draw people into the downtown area and into some of our shops that are downtown."

Mr. Kerr asked the date of the festival.

Ms. Moore said she believed it was April 12th and 13th.

Mr. Hanover said it was "too bad it couldn't be March 2nd, Independence Day."

Ms. Moore and Mayor Countryman said that could certainly be something to look at for next year.

Mayor Countryman also said she and Ms. Moore had discussed adding a 5K run to the event. They had also discussed adding a family bike ride through town in the evening.

Mr. Cronin asked if there were plans to have alcohol or beer booths during the event.

Ms. Moore said they did have plans.

Ms. Huss noted that alcohol changes the finances of a festival significantly and noted Ms. Moore's estimate worksheet which proposed revenue goals for beer and t-shirt sales at \$9,600.00 in addition to the festival revenue goal of \$25,000.00.

Mayor Countryman added the 5K run would bring in additional revenue not included in the spreadsheet. She said after expenses, the 5K run should have a profit in the amount of 70% of the registration fees.

Mr. Yates noted that potential sponsors could significantly decrease the cost of the festival. He said instead of local sponsors, it was possible to achieve large corporate sponsorship, such as Lone Star Beer.

Ms. Huss noted the budget does not include golf cart rental and insurance.

Ms. Hutchinson pointed out a line item in the budget did not carry over to the total, so the actual cost estimate should be \$10,375.00 instead of \$10,045.00.

Mr. Cronin suggested approving \$10,000.00 and having Ms. Moore come back if she needs additional funds. He said he felt as if the cost estimate was too low, and the festival may need a total of \$20,000.00 instead of \$15,000.00.

Ms. Brown noted the EDC budgeted line item for events is only \$35,000.00 and the Board just voted to give the HMBA \$10,000.00. If \$15,000.00 is promised for this event, the line item would be left with only \$10,000 for the remainder of the year and the Board still needs to consider the Wheat & Wine Festival which is next on the agenda.

Ms. Hutchinson added in the EDC's one-year goal was to add smaller festivals which would be another expense coming from the same line item.

Ms. Huss offered two options. One option would be to do a budget amendment. The second option would be to consider if the proposed net positive of the internal festivals goes back into the Events line item or into the General Revenue line item.

Mr. Yates said the money would go into the General Revenue line item.

Ms. Huss said in that case, she felt "perfectly comfortable doing a budget amendment" and get it approved by Council.

Ms. Moore said her goal is to get enough sponsors to offset cost of the events.

Mrs. Huss asked Mr. Yates if the sponsorship payment would be applied to the General Revenue line item.

Mr. Yates said separate line items may need to be created.

Mrs. Huss asked Mr. Yates if, theoretically, the Board could approve all three festivals presented today, be over budget for the Events line item and not need to immediately seek a budget amendment from Council.

Mr. Yates agreed.

Mr. Cronin asked Mr. Yates how alcohol sales were to be handled for a city funded event.

Mr. Yates stated the city would go through the same process as anyone else in getting a permit.

Motion by Mrs. Huss, seconded by Mr. Kerr to approve an amount not to exceed \$15,000.00 for the Lone Star Flag and Food Truck Festival. All in favor. (6-0)

8. Consideration and possible action regarding the budget for the Wheat & Wine Festival.

Ms. Moore stated that she does not have a specific date for this event and thought some of her numbers were a little low in this festival's cost estimate.

Ms. Huss said the initial discussion was to have this festival in March, and considering it is intended to be a huge event for the city, she asked Ms. Moore if there was a plan to schedule this event for 2020 and not try to accomplish it this year.

The Board agreed it would be a good idea in order to have time to plan and promote it well.

Ms. Moore stated she would be more comfortable if it was postponed until 2020.

Mr. Cronin noted Conroe has a craft beer festival and it would be important to make sure this festival was not at the same time.

No action was taken on this item.

9. Consideration and possible action regarding marketing materials for the Distrx walking tour.

Ms. Huss explained that previous marketing for Distrx has been focused towards the commercial side getting merchants to purchase advertisements from the company. Future advertising will now be focused on how to informing the public of the app.

Ms. Moore said the focus is putting advertising on the kiosk at the corner of McCown and Caroline Street. She said a metal poster is planned in order to withstand the elements and also have the option of moving it to another location in the future if desired.

There is no specific design at the moment.

Mr. Cronin suggested creating a brochure for businesses to hand out showing the different businesses in town.

Ms. Huss said Katrina was looking into making one.

Motion by Mr. Hanover, seconded by Mrs. Hutchinson to approve the request for up to \$200.00. All in favor. (6-0)

10. Tourism and Marketing Work Plan Update.

Ms. Moore presented status updates for the tourism and marketing plan which was previously presented.

Ms. Moore explained trademarking "Birthplace of the Texas Flag" would range between \$225 - \$400. She was not able to meet with the city attorney because he was ill, but she plans to meet with him in the near future. She said, generally, a response is received 6 months after filing the application, but the entire process usually takes around one year to complete.

Ms. Moore said that applying for variations is an option that should be considered.

Ms. Moore also discussed a recent workshop she organized for local business dealing with small business financing. She said twelve people attended, including 10 who were either owners or people interested in starting a business. Two bankers presented the seminar with positive feedback. All attendees were interested in attending more workshops such as this one.

Ms. Moore noted all of the attendees were women and Montgomery has a large number of businesses owned by women. She suggested this data may be used in the future to promote Montgomery.

Ms. Moore said another seminar is planned for February covering social media for small businesses.

Ms. Moore is planning a meet and greet with residents the beginning of February at the library.

Ms. Moore said she has been working on the social media channels and has been added as an editor to Fernland's Facebook page. She is also creating a Facebook page for the Lone Star Flag Festival and the Wheat and Wine Festival.

Ms. Moore informed the Board that she is working with the Houston-Galveston Area Council/The Gulf Coast Workforce Board to prepare economic/labor data for Montgomery to be included in the City prospectus. She is also exploring their workforce training programs and grant possibilities.

Ms. Moore met with Shannon Overby of Visit Conroe concerning regional tourism strategies. Ms. Moore was invited to attend the quarterly hoteliers meeting later this month.

No action was taken on this item.

11. Economic Development Report – Jack Yates

Engineer Report –

Mr. Yates said the Engineer Report is an update on the status of current projects.

Development Status Report –

Mr. Yates explained the CVS building is probably “three or four months away from opening” and the Bubble King Car Wash is scheduled to open in “two to three weeks.”

Mr. Yates said the strip center being built West of the car wash is beginning to put up walls. He said he was told there would be an AT&T store in the strip center.

Tourism and Marketing Report –

No additional information was given, as all items had been previously discussed.

12. Adjourn into Closed Executive Session as authorized by the Texas Open Meetings Act, Chapter 551 of the Government Code, in accordance with the authority contained in the following: Section 551.071 (consultation with attorney) related to contemplated litigation.

Adjourned into closed Executive Session at 7:52 pm.

13. Reconvene into Open Session.

Reconvened into Open Session at 8:19 pm.

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

No action was taken on this item.

BOARD INQUIRY

Mr. Kerr asked for the Board to discuss the accounting on the internal festivals at the next meeting.

ACTION ITEMS FROM DECEMBER 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>
Construction mitigation 149	Cronin	
Minor Festivals	Moore	
Front Foot Assessment/Tax Abatement	Huss	
Amend Budge for Internal Festival Revenue	Hutchinson/Yates	February meeting

ADJOURNMENT

Motion by Mrs. Brown, seconded by Mr. Cronin to adjourn the meeting at 8:21 p.m. All in favor. (6-0)

Submitted by:  Date Approved: 02/18/19
 Amy Brown, MEDC Secretary


 Rebecca Huss, MEDC President

