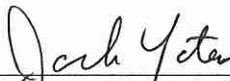


**NOTICE OF REGULAR
MEETING
Montgomery Economic Development Corporation
(MEDC)**

Notice is hereby given that the Board of Directors of the Montgomery Economic Development Corporation will hold a Regular Meeting at 6:00 p.m. on November 19, 2018 at the Montgomery City Hall, 101 Old Plantersville Road, in Montgomery, Texas.

1. Call to Order
2. Open Public Comment
3. Approval of Minutes of October 29, 2018
4. Monthly Financial Report (October, 2018)
5. Consideration and possible action regarding Katrina Moore, Work Plan Formulation
6. Consideration possible action regarding spending plans of the MEDC budget line items
7. Economic development report: City Administrator Report
8. Board Inquiry
9. Adjournment





Jack Yates, City Administrator for
Rebecca Huss, President of MEDC

I certify that the attached notice of meeting was posted on the bulletin board at City of Montgomery City Hall, 101 Old Plantersville Road, Montgomery, Texas, on the 16th day of November, 2018 at 2:30 o'clock p.m. I further certify that the following news media was notified of this meeting as stated above: The Courier

MINUTES OF REGULAR MEETING
OCTOBER 29, 2018
MONTGOMERY ECONOMIC DEVELOPMENT CORPORATION

CALL TO ORDER

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

Present: Rebecca Huss - President
 Randy Moravec – Treasurer
 Amy Brown – Secretary
 John Champagne – Board Member
 Cheryl Fox – Board Member
 Bill Hanover – Board Member

Absent: Bob Kerr – Vice President

Also Present: Jack Yates – City Administrator

OPEN PUBLIC COMMENT

No public comment.

APPROVAL OF MINUTES

Minutes of September 17, 2018 Regular Meeting –

President Huss asked for comments on the minutes as presented. Mr. Moravec suggested a description of Ms. Shawna Riley be included to indicate that she is an owner of a small downtown business. Mrs. Huss noted that Ms. Riley did not identify herself when she spoke, but Mrs. Brown is familiar with Ms. Riley. Mr. Moravec made a motion to accept the minutes pending the change, seconded by Mrs. Fox. All in favor. (6-0)

MONTHLY FINANCIAL REPORT

Report for September, 2018

Mr. Moravec suggested, since all events will be grouped into one line item, removing the miscellaneous administrative expenses of \$7,500 related to the Homecoming and the Haunted House events. These expenses would then be moved to the Marketing and Tourism line item. Mrs. Huss agreed as long as the increased amount did not cause the category total to exceed legal limitation. Mr. Moravec assured her that it would not exceed the limitation. Motion by Mrs. Brown, seconded by Mr. Champagne to approve the September 2018 Financial Report as presented. All in favor. (6-0)

CONSIDERATION AND POSSIBLE ACTION

5. Consideration and possible action regarding the Historic Montgomery Business Association billboard proposal.

Ms. Kambra Drummond, owner of Rustic Cashmere, and Ms. Brenda Reiland, owner of Pets, spoke on behalf of the HMBA.

A written proposal was handed out to the Board, and a copy of that proposal is attached.

HMBA requested MEDC partner with them to pay for leasing a billboard to be used for promotion of the Historic Business District. The chosen billboard is on the South side of Highway 105, facing East across from the Dollar General Store.

The request is for lease of the billboard for twelve months along with the creation and installation of a reusable, generic advertising vinyl to cover the billboard.

Organizations, groups and the MEDC may use the billboard to advertise specific events so long as they pay for the specific event vinyl along with the installation and removal of the specific event vinyl.

Mr. Moravec asked if this would fall under the Economic Grant Program. Mrs. Huss agreed that would be the appropriate line item for this proposal. Mr. Moravec also asked that someone from the Board, or the Marketing Director, approve the advertising copy before it is installed.

Motion by Mr. Champagne, seconded by Mr. Hanover to contribute \$4,440 to partner with the HMBA on billboard advertising. All in favor. (6-0)

6. Presentation by Floyd Montgomery regarding Montgomery memorabilia.

Mr. Montgomery, a new resident of Montgomery, spoke to the Board concerning his wish to establish a museum and a Highland Games event in Montgomery.

Mr. Montgomery also discussed the historical significance of the name Montgomery. He volunteered to open his home to any Board member who would be interested in viewing his collection.

No action was taken.

7. Consideration and possible action regarding the purchasing policy for the MEDC.

Debate was held as to what authority, and or limit, the City Administrator should have regarding spending MEDC funds.

Motion by Mr. Champagne, seconded by Mrs. Brown to limit the City Administrator's purchasing authority to payment of expenses for Transfers to Debt Services, Tax Reimbursement, Removal of Blight, and Reimbursement of General Funds to the amounts in the 2018-2019 adopted budget as approved by the MEDC Board and City Council. The vote was tied with Brown, Champagne and Huss voting yes and Fox, Hanover and Moravec voting no. The motion failed. (3-3)

8. Consideration of amendments to the MEDC Bylaws.

Mr. Yates stated the City Attorney has no suggestions concerning the question of ethics. The City Attorney does provide an ethics presentation for Boards. One could be planned for City Council and invite other boards, including MEDC, to attend.

Mrs. Brown questioned if the Board had voted on the Bylaw change that moved the date of the annual meeting from September to January. Mrs. Huss asked that the minutes from the previous meetings be examined to see if the Board voted on the Bylaw changes.

No action was taken.

9. Consideration of possible action to adopt the 1, 3, and 5 Year Goals.

Mrs. Huss reminded the Board that this item was discussed in previous meetings with the only concern being the specific percentage of sales tax growth rate required each year.

Mr. Champagne suggested removing the percentage amounts.

Motion by Mrs. Fox, seconded by Mrs. Huss to approve the goals as written. All in favor. (6-0)

10. Consideration and possible action regarding Third Quarter Economic Development Report for City Council.

Mrs. Huss stated that this report is the same as the Utility Report that City Council has already seen. She stated that she did not see much value in having Mr. Moravec present it to Council.

Motion by Mrs. Brown, seconded by Mr. Champagne to send the report to City Council without a Board member formally presenting the report. All in favor. (5-0) Mr. Moravec was out of the room and did not vote.

11. Economic Development Report

Engineer Report – Mr. Yates presented the report, specifically speaking on the opening of the Buffalo Springs Bridge reopening and the GLO Grant. Mr. Moravec asked if the Development Handbook has been published on the city’s website. Mr. Yates said that it has and is available as a PDF download.

Sales Tax Report – Mr. Yates briefly went through the report as presented to the Board. Mrs. Huss asked how much this report costs the city. Mr. Yates responded that the fee is \$1,400 per month. Mr. Moravec asked if the EDC contributes to the monthly fee. Mr. Yates responded that the city absorbs all of the expense.

City Administrator Report – The written report was provided to the Board members. No discussion was held.

12. Convene to closed executive session as authorized by the Texas Open Meetings Act, Chapter 551 of the Government Code.

The Board convened into closed session at 7:37pm.

13. Reconvene into the Open Session.

The Board reconvened into open session at 7:59 pm.

14. Consideration and possible action if necessary on matters deliberated in Closed Executive Session.

Board directed the City Administrator to move forward on the issue under discussion.

BOARD INQUIRY

Mr. Yates was questioned on the status of the Home Focus issue. He stated that after detailed review of the charges, he sent a detailed letter to Home Focus informing them the EDC offers \$200 as payment to settle the account.

ACTION ITEMS FROM SEPTEMBER MEETING

<i>ACTION ITEM</i>	<i>ASSIGNEE</i>	<i>RESULT</i>
Consider and suggest a realistic percentage of growth for sales tax revenue	Moravec	Board decided to leave item as written
Amend 1,3,5-Year Goals	Brown	Completed
Find Mediator for Home Focus issue	Yates	See Board Inquiry
New Employee Management Action Item	Yates	
Expenditure Procedures Action Item	Yates	Completed

ACTION ITEMS FOR FUTURE MEETINGS

<i>ACTION ITEM</i>	<i>ASSIGNEE</i>	<i>DUE DATE</i>
Review minutes on Board Bylaw vote	Brown	November

ADJOURNMENT

Motion by Mrs. Fox, seconded by Mr. Hanover to adjourn the meeting at 8:02pm. All in favor. (6-0)

Submitted by: _____

Amy Brown, Recording Secretary

CITY OF MONTGOMERY - MEDC
ACCOUNT BALANCES REPORT
Through October 31, 2018

	<u>MONEY MARKET ACCOUNTS</u>	<u>INVESTMENTS</u>	<u>TOTALS</u>
<u>MEDC</u>			
CHECKING ACCOUNT #1017938	\$ 280,517.03		\$ 280,517.03
TOTAL INVESTMENTS	\$ -	\$ 489,408.28	\$ 489,408.28
TOTAL MIDC	<u>\$ 280,517.03</u>	<u>\$ 489,408.28</u>	<u>\$ 769,925.31</u>

INVESTMENTS

	Issue Date	Maturity Date	Interest Rate	Balance
Texpool #00006			2.18%	\$ 239,408.28
Certificates				
Allegiance Bank	6/6/2018	6/6/2019	2.00%	\$ 100,000.00
Icon Bank CD #7731	1/27/2018	1/27/2019	1.25%	\$ 150,000.00
Total Investment Balance				<u>\$ 489,408.28</u>

City of Montgomery - MEDC

Cash Flow Report

As of October 31, 2018

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Memo</u>	<u>Amount</u>	<u>Balance</u>
51100 · MEDC Checking					283,013.21
0/11/2018	1922	Kenneth Arnsworth	Demolition and removal of debris from 915 Martin ...	-2,300.00	280,713.21
0/19/2018	1923	Waste Management of Texas, Inc. 2	CustomerID#20-86349-03007 Inv 1423711-1792-0 ...	-196.18	280,517.03
Total 51100 · MEDC Checking				-2,496.18	280,517.03
TOTAL				-2,496.18	280,517.03

City of Montgomery - MEDC
Actual to Budget Performance
 October 2018

	<u>Oct 18</u>	<u>Budget</u>	<u>\$ Over B...</u>	<u>Oct 18</u>	<u>YTD Bu...</u>	<u>\$ Over B...</u>	<u>Annual ...</u>
Income							
55000 · Taxes & Franchise Fees							
55400 · Sales Tax	35,290.64	47,916.63	(12,625.99)	35,290.64	47,916.63	(12,625.99)	575,000.00
Total 55000 · Taxes & Franchise Fees	35,290.64	47,916.63	(12,625.99)	35,290.64	47,916.63	(12,625.99)	575,000.00
55300 · Other Revenues							
55391 · Interest Income	435.11	266.63	168.48	435.11	266.63	168.48	3,200.00
Total 55300 · Other Revenues	435.11	266.63	168.48	435.11	266.63	168.48	3,200.00
Total Income	35,725.75	48,183.26	(12,457.51)	35,725.75	48,183.26	(12,457.51)	578,200.00
Expense							
56000 · Pub Infrastructure - Category I							
56000.6 · Downtown Dev Improvements	0.00	5,000.00	(5,000.00)	0.00	5,000.00	(5,000.00)	60,000.00
56000.8 · Utility Extensions	0.00	3,266.63	(3,266.63)	0.00	3,266.63	(3,266.63)	39,200.00
56430 · Tsf to Debt Service	0.00	0.00	0.00	0.00	0.00	0.00	160,000.00
Total 56000 · Pub Infrastructure - Category I	0.00	8,266.63	(8,266.63)	0.00	8,266.63	(8,266.63)	259,200.00
56001 · Business Dev & Ret -Category II							
56001.8 · Sales Tax Reimbursement	0.00	0.00	0.00	0.00	0.00	0.00	76,900.00
56423 · Economic Development Grant Prog	0.00	1,250.00	(1,250.00)	0.00	1,250.00	(1,250.00)	15,000.00
Total 56001 · Business Dev & Ret -Category II	0.00	1,250.00	(1,250.00)	0.00	1,250.00	(1,250.00)	91,900.00
56002 · Quality of Life - Category III							
56404 · Seasonal Decorations	0.00	2,533.34	(2,533.34)	0.00	2,533.34	(2,533.34)	7,600.00
56423.1 · Walking Tours	0.00	0.00	0.00	0.00	0.00	0.00	6,000.00
56429 · Removal of Blight	0.00	1,250.00	(1,250.00)	0.00	1,250.00	(1,250.00)	15,000.00
56434 · Events	0.00	2,916.63	(2,916.63)	0.00	2,916.63	(2,916.63)	35,000.00
56439 · Downtown Enhancement Projects	0.00	1,666.63	(1,666.63)	0.00	1,666.63	(1,666.63)	20,000.00
Total 56002 · Quality of Life - Category III	0.00	8,366.60	(8,366.60)	0.00	8,366.60	(8,366.60)	83,600.00
56003 · Marketing & Tourism-Category IV							
56413 · Brochures/Printed Literature	0.00	833.37	(833.37)	0.00	833.37	(833.37)	10,000.00
56419 · Website	0.00	250.00	(250.00)	0.00	250.00	(250.00)	3,000.00
Total 56003 · Marketing & Tourism-Category IV	0.00	1,083.37	(1,083.37)	0.00	1,083.37	(1,083.37)	13,000.00
56004 · Administration - Category V							
56004.1 · Admin Transfers to Gen Fund	0.00	0.00	0.00	0.00	0.00	0.00	107,500.00
56004.3 · Miscellaneous Expenses	0.00	83.37	(83.37)	0.00	83.37	(83.37)	1,000.00
56004.5 · Internship Program	0.00	833.37	(833.37)	0.00	833.37	(833.37)	10,000.00
56327 · Consulting (Professional servi)	0.00	833.37	(833.37)	0.00	833.37	(833.37)	10,000.00
56354 · Travel & Training Expenses	0.00	166.63	(166.63)	0.00	166.63	(166.63)	2,000.00
Total 56004 · Administration - Category V	0.00	1,916.74	(1,916.74)	0.00	1,916.74	(1,916.74)	130,500.00
Total Expense	0.00	20,883.34	(20,883.34)	0.00	20,883.34	(20,883.34)	578,200.00
Net Income	35,725.75	27,299.92	8,425.83	35,725.75	27,299.92	8,425.83	0.00

Montgomery City Council
AGENDA REPORT

Meeting Date: November 19, 2018	Budgeted Amount:
Prepared By: Jack Yates City Administrator	Exhibits:
Date Prepared: November 16, 2018	

Subject

This is a discussion about how Katrina Moore, new Director of Marketing and Tourism will develop a work plan for a three month test/methodology, and how she is to report to the MEDC board

Description

This will be a new course of action due to a new employee, doing a new undefined job, with a hybrid type of management being accomplished by the MEDC Board based on her monthly status and requests for direction reports to the Board.

Katrina gave a very good summary of how she thought her first few months should go during her interview for the position. I think that presentation to you would help in your direction.

Recommendation

Listen to Katrina's ideas, match them to your intentions and tentatively decide a course of action that will probably be amended a few times over the next six months until a manageable pattern is determined best for the MEDC Board and Katrina in being able to best function in the position.

Approved By

City Administrator	Jack Yates	Date: November 16, 2018
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Montgomery City Council
AGENDA REPORT

Meeting Date: November 19, 2018	Budgeted Amount:
Prepared By: Jack Yates City Administrator	Exhibits: MEDC Budget w/line item descriptions, Proposed expenditure process
Date Prepared: November 16, 2018	

Subject

This is a presentation regarding how expenditures of the MEDC budget could occur - which hopefully gets the MEDC into their approvals without holding up the minor/standard expenditures.

Description

Attached is the MEDC budget along with the description of each line item giving the line items purpose, meant just as a reminder. Then attached is my proposed intentions of making any expenditures out of those line items. This is a, in-writing, statement of how expenditures will happen.

Recommendation

Review the proposed intentions and amend as you think, then either vote as a formal item or simply direct me in how you want the expenditures to happen.

Approved By

City Administrator

Jack Yates

Date: November 16,
2018

MONTGOMERY ECONOMIC DEVELOPMENT CORPORATION

2018-2019 FY OPERATING BUDGET

10/01/18 – 09/30/19

ADOPTED BY CITY COUNCIL

ON

OCTOBER 9, 2018

MEDC BUDGET - DETAILS

Attached is the Proposed MEDC 2018-2019 Budget. Below is an explanation of each line item intention- I say intention because, please remember that the budget is more than just figures, it is the intended actions of the MEDC from October 1st, 2019 to September, 2019.

Not all of these intentions will happen during the upcoming year and there, almost certainly, will be new actions that you will decide to undertake during the upcoming fiscal year.

All of this is to say that the budget is as much a goals policy as a financial plan that can be amended during the year.

You may note that the budget has a planned surplus of expenditures over revenue. That will be the case if every dollar is expended during the year, which is not likely. The MEDC has a current balance of approximately \$748,730.

Revenues

- Sales Tax – Sales tax for the city overall is expected to increase.
- Interest Income – this is interest income from the balance in MEDC funds

Expenses state law states what can come from each category

Category I ---

- Downtown Improvements – the thought is that the \$60,000 would be for physical improvements in the downtown Historic District. No specific items are contemplated.
- Utility Extensions – This figure is the “balancing of the revenues versus expenses” for the MEDC budget – with no specific utility extensions planned.
- Transfer to debt service. \$160,00 due to another borrowing by the city for water and sewer debts- \$117,000 for 2014 debt and \$53,000 toward TWDB 2017 debt.

- Internship program- a cooperative program with local businesses wherein the local business pays half the paid to the intern and MEDC matches up to \$3,000.
- General consulting (Accounting , Eng., Legal) – This is in case there is some specific engineering or legal work or advice needed for the MEDC due to looking at some specific issue, plus it could pay for the economic development analysis programs that MEDC has done on two recent occasions to analyze requested infrastructure contributions to a specific business.
- Travel and Training Expenses -- Travel for MEDC members or staff to various trainings, seminars, etc.

Category I

Downtown improvements- No expenditures will be made without MEDC Board approval

Utility extensions – No expenditures will be made without MEDC Board approval

Transfer the debt service – – One- fourth of this amount will be transferred to the city's debt service fund at the beginning of each quarter of the fiscal year

Category II

Sales tax reimbursement – – This amount will be calculated correctly and then reported to the MEDC Board, for the expenditure if timely, otherwise reported to the Board.

Economic development grant program – No expenditures will be made without MEDC Board approval.

Category III

Seasonal decorations -- Primarily this is ordered and placed by the public works department of the city, without MEDC Board direction. \$1,600 of this budget is directed for the Civic Association who, I would think, would not be required to come before receiving these funds- the funds are always spent on awards for the lighting contest and for the one event of the Christmas lighting at Cedar Brake Park- with a not to exceed the \$1,600 amount.

Walking tour –This is meant for marketing for the Distrix program. There may be small purchases that will be needed between MEDC Board meetings. If at all possible, no purchases will be made without the MEDC Board approval.

Removal of blight – This category has generally been used for three reasons;

1.-Demolition of a old dilapidated building for which there is always two estimates and that the City Administrator has handled as a contractual arrangement with one payment upon completion and acceptance without MEDC Board approval.

2. Payment for 20 and 30 yd.³ large dumpsters for lot or demolition materials removal. This is also been a City Administrator decision without MEDC Board approval.

3.Payment to local lumber yards for supplies/materials for renovation repairs to old/in ill repair houses located inside the city with the labor provided by local churches specifically China Church and Fellowship Church. Receipts are required for each of the materials and supplies noting the location of the improvements were the supplies and materials were used to assure they are inside the city. This has been a city administrator decision without MEDC Board approval.

Events- My suggestion on this is to get a budget for every event approved by the MEDC Board before any funds are spent. This is whether the event is a city sponsored event or an outside group asking for support.

Downtown enhancement projects – No expenditures were made without MEDC Board approval. My intent on this category is to prepare a working budget, get the MEDC Board approval for that working budget and then use that budget for spending funds.

Category IV

Brochures/Printed Literature -- There may be small purchases that will be needed between MEDC Board meetings. If at all possible, no purchases will be made without the MEDC Board approval.

Website – this is meant as a partial payment to the new city website that will have MEDC materials on that website. No expenditure will be made without MEDC Board approval.

Category V

Administrator transfer to General Fund –This is the \$107,500 divided by 12 and transferred monthly from MEDC to City General Fund.

Miscellaneous expenses – These are incidental, expected expenses, not lending to prior MEDC Board approval.

Internship program – No expenditure will be made without MEDC Board approval.

General Consulting (accounting engineering and legal) – Generally the Board will know about any need for legal opinion or engineering work, however a legal question may come up during the time between MEDC meetings – so every attempt will be made so the MEDC Board knows about upcoming questions/issues, but due to the timing of the answer various questions, these funds may occasionally may be needed to be spent without MEDC Board approval.

Travel and training expenses – A \$75 per month travel allowance is recommended for the Marketing and Tourism position for travel inside the County. Outside the County would be paid per mile. Training of almost any significance would be requested of the MEDC Board before the event.

Montgomery City Council
AGENDA REPORT

Meeting Date: November 19, 2018	Budgeted Amount:
Prepared By: Jack Yates City Administrator	Exhibits: MEDC Budget w/line item descriptions, Proposed expenditure process
Date Prepared: November 16, 2018	

Subject

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Attached is the MEDC budget along with the description of each line item giving the line items purpose, meant just as a reminder. Then attached is my proposed intentions of making any expenditures out of those line items. This is a, in-writing, statement of how expenditures will happen.

Recommendation

Review the proposed intentions and amend as you think, then either vote as a formal item or simply direct me in how you want the expenditures to happen.

Approved By

City Administrator	Jack Yates	Date: November 16, 2018
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CITY OF MONTGOMERY

Development Status Report

By: Jack Yates, City Administrator

November 16, 2018

 = New Addition since 9-13-2018 edition

KENROCK Property – This is the approximately 13-acre piece of property that lies immediately west of Pizza Shack and east of the property being developed on the northeast corner of Highway 105 and Lone Star Pkwy.

The Plat for this project has three pad sites on the Highway 105 frontage and one 16,000 ft. building in one 24,000 ft. building on the north side of this property. The development of Dusty's Car Wash is now in the construction stage. It is a \$2 million dollar improvement according to their building permit.

They have started the dirt moving part of construction in the middle part of this tract on what will be a stand alone retail strip center . On the extreme west side of this development will be a Wendy's Restaurant- in very early stages of planning now.

Two accesses to the entirety of the property will be off Highway 105 and they will also share a driveway with the developer of the northeast corner of 105 and Lone Star Parkway for their Lone Star Parkway access.

Montgomery First Shopping Area- Northeast Corner of SH105 and Lone Star Parkway - This is a strip center of approximately 20,000 sq. ft. One third of the building is an emergency medical clinic and another one third a dentist office. The pet supply store between the dentist office in the clinic had their opening in mid-May. A Mammography testing site will finish out this sites development.

Southeast Corner of Highway 105 and FM 2854 – This is the HEB corner. HEB representatives met with the city engineers and myself about eighteen months ago and said at that time that they were probably two years away from getting serious about building, so no speculation at all about when they may build.

Peter Hill Annexation – This is a 3.22-acre tract that is immediately south of SH 105 across from Pizza Shack. The total property is approximately 5 acres but 1.8 acres of the property is in the Conroe ETJ, and Conroe would not give up their right to annex.

That left the 3.22 to be annexed into the City of Montgomery. The plan is for businesses to be located on the total 5 acres. In the 3.22 portion located in the City, what is planned is an exercise gym and a tire repair/replacement shop. The owner is saying he is anxious to get started, but as of this date they have not obtained a

building permit. The zoning of this property was approved for “B” Commercial by the Council

Kroger Site - They have approximately six pad sites on their property near Highway 105 and Lone Star Parkway. A Burger King restaurant is in the Kroger Center. The other businesses that is in the retail center next to Kroger is Great Clips, Halo and Coiffure, Malibu Nails and Spa, Massage Envy, Everbright Dental, Taste of China restaurant, and a Stoney’s Liquor. There are two empty spaces remaining.

West of Kroger/East of Buffalo Springs Road - The developers have placed their interior water and sewer and other interior property utilities now. Blu-Wave Car Wash has started turning dirt at the southeast corner of the tract. Otherwise the site plan shows a strip center similar to the Kroger strip center and three pad sites up closer to SH 105.

Southwest corner of FM 2854 and State Highway 105- This 26-acre property Developer just reached approval of a development agreement with the City Council. A CVS drugstore is getting built on the far east pad site. Construction work began in July with a March completion date planned.

The City’s 380 Agreement includes relocation of the Lift Station #1 and getting about ¾ of an acre of land for an addition to the Sewer Treatment Plant. This is part of a 380 Agreement between the Developer and the city with their utility feasibility study amount of approx. \$430,000 with the Developer paying \$200,00 toward the relocation of L.S. #1 to open up more developable property since the LS is roughly in the middle of their property now. All totaled, the city is rebating one-half of one cent of the two cents sales tax generated by the entire development to total 1.1 million dollars, or ten years whichever comes first, while the city is receiving approximately \$850,000 of payments from the Developer. A major announcement regarding a much-anticipated restaurant is expected soon for this tract of land.

South Loop around State Highway 105 – As the city continues to grow, traffic on Highway 105 and FM 149 will continue to get more congested. The City and Montgomery County Commissioners agreed late summer of 2017 to pay for a Mobility Study for the City and the immediate area. The Mobility Study was accepted by the City Council in late-January. One of the items in the Study is the need for a south loop extending from 2854 to Highway 105 west of the city. The loop would probably be outside the city south of the present city limits but could be annexed into the city as time/circumstances allow. The reason to do the planning for

the loop now is as development occurs in area of the loop land can be set aside for the right-of-way for the ultimate paving of the road.

North Loop around SH 105 -- The City Council at its December, 2017 meeting directed the City Administrator and Jones/Carter Engineering to start coordination work with the Houston Galveston Area Council to get either the northern loop and/or the southern loop on the Transportation Improvement Program (TIP) that will provide either 80% funding or 90% funding for these projects. Getting on the TIP involves probably several years of planning to get into the multiyear planning program. The TIP program is how major funding happens for major roads in the region. The first of this this coordination work will began in late-February this week with a meeting at the Houston regional office with TxDOT, HGAC, Montgomery County and City representatives at the first planning meeting.

The first meeting went well with very broad discussions toward what will probably be a four-year program of planning and funding arrangements

Expansion of Sewer Plant Area – The City has received State Department of Environmental Quality approval of a discharge permit for the sewage treatment plant located at the end of Buffalo Springs Road south of Highway 105. At the same time a discharge permit was approved for what is called the Stewart Creek Treatment Plant, the former treatment plant site that has been taken out of operation for about 10 years.

The Sewer Master Plan completed in March 2016 - presented a scenario to where the Stewart Creek Plant was put back in operation. By applying for both discharge permits that leaves that option open.

The need for additional treatment capacity, we think, is 3 to 5 years away -- allowing time to make a decision about whether or not to expand the Buffalo Springs site or to put the Stewart Creek Plant back into operation.

Part of the Texas Water Development Board borrowing that happened summer, 2017, is to improve lift station number one that now feeds all the city sewage into the Buffalo Springs site. The decision regarding the sewer plant expansion/Stewart Creek operating will probably be in the next 1 to 2 years.

Right now, the sewer plant has a permitted capacity of 400,000 gallons per day with a current usage of approximately 135,000 gallons per day. However, state regulations

say that you need to be in the planning/designing stage at 60% of capacity (240,000 gallons per day) and in construction and 80% of capacity (320,000 gallons per day). With the addition of approximately 75 houses per year plus all the commercial development is not hard to imagine us doubling our flow in the next 3-4 years. How that will be paid for is another entirely different subject.

Spirit of Texas Bank -- The groundbreaking at the northeast intersection of 105 and Lone Star Pkwy. was September 5, and construction is moving along rapidly. They are supposedly shooting for a **March/April** opening.

McCoy's Lumber Development – McCoy's has developed into the #2 sales tax payer in the City. No movement on their other three pad lots around them.

Ransom's Area Development- Phillip LeFevre has developed an area for soccer fields immediately north of the Ransom's Restaurant. The Montgomery Soccer Club is having tournaments and league play there.

Fernland Historic Park - The Park continues to be popular. The individual visits are increasing as are tours – this September there were 363 visitors and 35 tours were noted by the Docents at the Park.

Memory Park – The Lake Conroe Rotary Club continues to do an excellent job with making improvements, maintaining and essentially managing the Park. They continue to put tens of thousands of dollars into the park every year with the City funding the park maintenance/overall expenses of approximately \$20,000 per year.

Downtown Walk Ability/Improvement Plan – This will be an effort to plan for sidewalks, drainage, parking, landscaping with the ornamental lights and overall making it easier to park and get around downtown. Downtown is thought to be the heart and soul of the city and what will keep the Montgomery atmosphere after all of the new development happens. The plan is under way now, funded by the Montgomery Economic Development Corporation. Upon receipt of a plan the intention is to meet with the downtown property owners, the general public and others to decide on a street by street detailed plan of action.

The first of these projects is the downtown parking area South of the Cozy Grape Restaurant. The city leased the area all the way from Cozy Grape Restaurant South to Caroline Street with the MEDC paying for the parking paving and landscaping

around the area. The second project is the Jacobs/Rose parking area on the north end of that same block.

Hodge Podge Lodge – The owner, Jeff Angelo, has improved and enlarged his kitchen area for what is becoming an event center and has hired the Chef away from the Walden Yacht Club. He is now serving breakfast and lunch, I believe, Tuesday through Saturday of every week.

Montgomery Trace Shopping Center – The Center recently was sold to another investor. Brookshire Brothers has renewed its lease and also just received a sizeable building permit for several instore upgrades. I think we are all glad that they are able to carve out a market for themselves with Kroger so they can continue their excellent business that they have supported Montgomery with for all these years. An Uncle Bob's Barbecue Restaurant opened mid-May. A Nails and Spa of Montgomery is in Suite G.

Heritage Senior Apartments – The next phase of the apartments, for seniors only is now underway. There will be approximately 80 apartments and 6 to 8 "cottages" which are four-plex units at ground level.

Montgomery on Eva Strip Center --A nail salon, a T-Mobile shop and a mattress sales business is now open, filling in the Center.

Madsen Commercial building—This is the new building on South FM 149 adjacent to the pond north of the MISD bus barn. The building has dog training and auto mechanic businesses

Baja Street Project - A Community Development Block Grant has been awarded from the state for repaving of Baja Street, replacing a water line and improving the ditches along Baja - and replacing some water line on Martin Luther King Blvd. \$26,000 cash match is required for the \$350,000 our grant. The bid for this work was approved in October with work expected to begin the last week of November and to be completed by the end of February, 2019..

Blight Removal in the Northwest Area – Over the past two years eight structures have been torn down and removed. One more removal happened during October.

All of these were with the permission of the owner and demolition costs were paid for by the Montgomery Economic Development Corporation, to the furthering of removal of blight for the overall economic improvement to the city.

HOME Grant --The City Council, at its May 9th meeting approved an application to be made for the state of Texas HOME project. This will fund up to eleven new replacement houses or major renovation) for those who qualify. The qualifications are: have income below the 80% of the average income for the area, be the owner of the house where the person now lives, have a clear title to the property where the new house would go. Preliminary review of the applications have eight that may qualify for the new houses.

The grant has no local match, but MEDC has said that they will front any incidental costs and any cost required by the grant.

The timing of the project is (approximately - remember this is the government and there is lots of coordination that needs to happen): verify qualified awardees in July, coordinate house design in August/September, take bids for house builders in October, finish building in January, move-in of residents in February, paperwork compilation/project closeout in January, 2019.

A meeting was held Thursday, April 19 at the City Hall for all that had applied for the new homes. Prior to the meeting, the 30-day open application period started on Tuesday, March 20.

Each house involves approximately \$100,000 in funding, administration, and cost of legal work, site preparation and construction of the house.

At this point it appears as though 3 to 4 people have qualified for the continuation of the process of getting approved for the new homes.

FM 149 Road Improvement – The city staff has been having monthly meetings with TxDOT design engineers.

There have been meetings with TxDOT, individual property owners and businesses over the past several months.

The Council passed a Resolution on July 10th asking TxDOT to proceed as quickly as possible in the SH 1052 Caroline St. section that includes the addition of right-hand and left-hand turn Lane zone FM 149 as it approaches 105, and to start on the FM 149 project from Clepper Street north to the FM 1097/FM 149 intersection. For the Caroline Street to Clepper section of the project the Council is requesting TxDOT to wait on this portion of the project until the downtown development streetscape

plan is approved by the Council. The Council has directed the city planning commission to work with the community to develop streetscape plan within the next 12 months.

Buffalo Springs Bridge – The status of the bridge repair is that the bridge is now open and work is essentially complete, with only punch last items remaining.

The Contractor is over his allotted time to complete the project is is being assessed \$250. per day of damages.

The project is funded by FEMA based on FEMA share of 75% of the actual contract price of the project. No funds were necessary to be spent by the city on this approximately \$1.4 million project.

A Disaster Relief Community Development Block Grant application for \$300,000 has been awarded and used that goes towards the city's 25% share of the bridge repair.

Land-Use Plan - A land-use plan is an overall broad – based view of how the land use in and around the city in the ETJ area is to be planned. It is not a zoning map although it is often used as a basis for zoning. The City Council approved the Plan.

Another reason to do this process is to plan for where low density versus high density residential properties may be developed in the city. The Planning Commission and Council have discussed a pre-planned determination of where in the city they would be with agreeable to low density development. By doing this pre-planning the Council and the developer has an idea about how the area should be developed rather than on a one by one application/determination basis.

Town Creek Addition Section Three - This is the new 48 lot addition immediately west of Town Creek Apartments off Emma's Way. Style Craft builders are also building in Section Three.

Terra Vista Addition - This is the new 36 lot addition immediately south of Summit Business Park on FM 1097. There are now 16 housing starts in the subdivision.

Rezoning of Property inside the City - This is an action of the Planning and Zoning Commission to rezone five properties inside the city, primarily on the S Hi105, where the current zoning does not fit the current need for the development of the property.

The Planning Commission has an idea of what they intend to rezone, but they are going to invite the property owners of the properties being considered to a discussion before starting the formal public hearing process. This discussion is planned for their June meeting. Then determining on the result of those discussions, the Commission will decide which properties to actually initiate rezoning.

Town Creek Self Storage Units Completed -- The Town Creek Self Storage Unit complex is open for use. Chris Cheatham is the builder/owner of the units.

The Units have 251 rental spaces available (165 climate controlled and 86 nonclimate controlled), sizes ranging from 5' x 5' up to 10' x 30' with 24-hour high tech security and gated access code. In the convenient location on 22852 SH 105 and next to the Town Creek Apartments, across the street from Montgomery High School.

Emma's Way –Extension to Lone Star Pkwy. -- The thought here is for Emma's Way to get another extension with the next subdivision—then at some point the city and the MISD pay for the balance of the extension all the way up to Lone Star Pkwy. The cost of the city/school extension is estimated at \$600,000.

The discussion up to now has been that the school and the city would roughly split that \$600,000. With the basis for that being that Emma's Way will serve the football stadium facility running alongside their Western boundary. The City's desire is simply to get a through street direct from the high school to encourage traffic to Lone Star Pkwy. to relieve some traffic on State Highway 105. The discussions for this project will probably come back up after the subdivision's extension of Emma's Way that is happening now, with completion expected in **January, 2019**.

An extension to Emma's Way of approximately 600' is nearing approval for the purpose of serving Town Creek Subdivision Section III.

Shanon Salsbury New Office at Waterstone – Shanon is in a new office building for his insurance office with two additional lease spaces. Mr. Salsbury is immediately north and east of the Buffalo Springs Bridge on Buffalo Springs Road. His long-range plan, he told me, calls for another strip office space center on the north side of Buffalo Spring Road across from his new office.

Texas Water Development Board – Funding -- The TWDB has provided funding of 2.8 million for water and sewer work. The projects are-- for water; connection of the 12-inch line north of Clepper to the 12-inch line immediately west of Cedar Brake Park (which should help the water pressure on the western side of the city and

eliminates the six-inch bottleneck in the system), improvements at Well #3 the Catahoula well (that we think will increase production about 25%). For sewer: Lift Station #1 upgrades (all the sewage in the city goes through this station which is already operating beyond design capacity), Lift Station #3 Force Main Reroute will serve to eliminate the need for another lift station and secures capacity in the system). All of the projects are in engineering design now, with a start date for completion of the design and construction to be begin mid-January.

General Land Office possible grant – In late May, 2017 we found out about a 22 million dollar grant that had been offered to Montgomery County from the Texas General Land Office (GLO) for flood related damages. Montgomery was one of six Counties in the state that the GLO had selected because of having the worse flood damages in the past two years. The county organized the GLO offer within the county for how the funds should be allocated. The County, after discussing with the cities in the County and two or three housing groups in the County, decided that the funds should be distributed based on the amount of FEMA damages and the amount of low income in the area involved. The City of Montgomery had the most damage of any city in the County.

As such Montgomery was “allocated” \$2.2 million dollars of GLO dollars. This “allocation” is not a grant, the actual application is made by the City to the GLO, but the money set aside for the City so long as we apply for “correct” type of projects. The GLO grant funds can be used for drainage, water and sewer, generators, and the 25% City match monies spent already on FEMA projects.

The GLO application is prepared and was filed at the end of March. GrantWorks will be the grant writer and administrator of the grant and Jones/Carter is the engineer on the project.