

MINUTES OF REGULAR MEETING

September 20, 2021

MONTGOMERY ECONOMIC DEVELOPMENT CORPORATION

CALL TO ORDER

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

Present: Rebecca Huss – President
Arnette Easley – Vice-President
Carol Langley – Treasurer
Ryan Londeen – Secretary
Jeff Angelo – Board Member
Byron Sanford – Board Member
Dan Walker – Board Member

Absent:

Also Present: Richard Tramm – City Administrator
Amy Brown – Events Coordinator

PUBLIC HEARING(S):

1. Convene into a Public Hearing to receive public comments regarding the proposed 2021 – 2022 Montgomery Economic Development Corporation Budget

An overview of the budget was provided by Tramm.

Budget started in workshop form in the MEDC, was approved as a closed budget, then was approved by the Montgomery City Council. Now it is back to the MEDC for a formal adoption.

No Public Comment

ADJOURN PUBLIC HEARING

RECONVENE REGULAR MEETING

2. Reconvene into Regular Meeting

OPEN PUBLIC COMMENT

No public comment

APPROVAL OF MINUTES

3. Consider approval of the August 16, 2021 Budget Workshop Meeting Minutes and August 16, 2021 Regular Meeting Minutes

Motion to approve the August 16, 2021 Budget Workshop Meeting Minutes and August 16, 2021 Regular Meeting Minutes was made by Jeff Angelo and seconded by Arnette Easley. All in favor. (7-0)

APPROVAL OF FINANCIAL REPORT

4. Consideration and possible action regarding the Financial Report through August 31, 2021

Presented by Carol Langley.

Texpool has not changed in last couple months as far as interest rate, the sales tax transfer was \$68,445.94. 9th payment to MISD for the land is \$63,052.03. Langley asks Tramm when the last payment would be made? Tramm answered that those payments run their term through the calendar year, they should be paid prior to the end of the fiscal year.

Langley asked about check paid to Reflective Life Ministries in the amount of \$20,000 for extra items provided to the city. Tramm clarified that some of the \$20,000 was part of the economic development grant, some was for promotional video production. Tramm continued that there was a check presentation ceremony at City Hall, that same week several actors were in town for filming of the MEDC promotional video in addition to the other production. The work should be completed in the next few months and the promotional material will be made available.

Angelo – Hoot Sweep being paid as a subscription but is out of business. It won't be much longer that you can use their service. Huss said the EDC is still using their service. Huss asked if purchased or out of business. Angelo didn't know.

No other comments.

Motion to approve the Financial Report through August 31, 2021 was made by Ryan Londeen and seconded by Dan Walker. All in favor. (7-0)

CONSIDERATION AND POSSIBLE ACTION

5. **Consideration and possible action to approve the Fiscal Year 2021-2022 Annual Budget for the Montgomery Economic Development Corporation.**

Presented by Richard Tramm.

Motion to approve the Fiscal Year 2021-2022 Annual Budget for the Montgomery Economic Development Corporation was made by Jeff Angelo and seconded by Byron Sanford. All in favor. (7-0)

6. **Update on Entrepreneurship Partnership between the Montgomery Economic Development Corporation and Montgomery Independent School District**

Presented by Sanford.

Sanford met with head of the Entrepreneurial venture in Bryan ISD. Angelo was invited but couldn't attend. Amy Vance took his place and went along with Sanford. It was a huge venture of millions of dollars, but they were able to find a corporate office for a lesser amount of money. Bryan ISD footed bill for internal things that needed to take place but he is not insinuating MISD will do the same. They determined student interest and looked at market trends. Montgomery ISD has already done this with similar interest as Bryan ISD. Willis ISD as well. They monitored businesses that were attaching themselves to this venture to get the kids technically trained. Students were lobbying for better wages right out of Highschool. The students were able to actively influence who would come in. Students should be well trained and in turn should be paid more. Their program included robotics (industrial training) which was very impressive. The students were training robots. Bryan City council and EDC both contributed to a piece of equipment. Building trades and industrial technology were both very big as well.

Angelo and Tramm are on the visionary advisory board for Montgomery. The first meeting was supposed to be held on Tuesday, September 14th, but was rescheduled for Wednesday, September 22nd, due to bad weather. 34 people are involved in that. This is a ground floor start, with no solid plan yet, but MISD has solid support at the top, with not a lot of push back. The state mandates that it's done a certain way. Report cards are going to shift from just standardized testing to kids being ready to work. Sanford sees it as a positive thing because of the data and what the study says. 80% of high school students who take both CTE and college level courses vs 63% who are college and college career ready through college prep courses alone. 600K+ of high school students enroll in dual credit courses to earn college credit. 6/10 students plan to pursue a career related to the CTE area they're exploring in high school. After speaking to the superintendent, Sanford learned that 60% of the students don't really want the 4-year college track. Students enrolled in CTE courses are more significantly more likely to learn problem solving skills, project completion research, communication, time management and critical thinking. It helps schools accomplish what they already want accomplished and helps kids get ready for the real world. 36% of STEM jobs require post-secondary credentials that most CTE students that obtain within 2 years post high school graduation. Because of student loan debt, it makes more sense to shift away from a 4-year college degree. Graduates with technical or supplied science degrees can out earn those with bachelors' degrees by \$11,000. 81% of high

school dropouts say relevant, real-world experiences, like CTE, would have prevented from dropping out. It appeals to all levels of demographics.

This is a market driven response by our school and the MEDC can advise and support. Business owners have skill sets, they hire people with skill sets, the members of the MEDC have skill sets. It's valuable when kids are shown that adults are willing to invest their time and skill sets. It's hard to find valuable personnel. MISD has two high schools so it's going to be a big venture. The vision of MISD is double than Bryan, 9-10 certain tracts phased in. Schools already do some of this, but they lose some students in the tracks, which is a problem.

Montgomery ISD is prime and ready for this. It's going to be a chore to keep students on the track. Most people are not working in a field related to their four-year degree. The market changes things and people change but it's about getting them equipped for real-world success and to be successful. How many of us would have been better with this practical training? MISD does not have the vision to go these different tracts yet. Sanford could have taken this deal if it had been available when he was in high school but wasn't there not even a thought about it. Sanford is encouraged by the attitude and support up top from the MISD school board.

Easley: the new bond initiative is trying to push up facilities for CTE expansions, including expanding Lake Creek technologies.

Angelo's personal experience, as a college dropout: he wanted to open a business and never look back. Angelo has always owned his own companies. He said if you love what you do, you'll never work a day in your life. If students can find a spark, and kids have sparks and passions, they can see where they are growing. Kids can try things out and if they don't like it they can keep trying new things. On the job training before jumping into a \$200,000+ 4-year college commitment may be a better path. From a technical and practical application standpoint there are business owners who are willing to grow people so they can grow their influence. The bond is going to be out for voters to decide. It will be a remarkable asset to our community and to future growth.

Huss: Not everyone goes to college, but children are groomed for college even as early as Elementary school. That would be the time to start introducing the CTE courses. Maybe hosting a "CTE week" would be beneficial so that they're aware that it's an option before they make it to high school.

Sanford: this is something built upon in junior high. Sanford took two mission trips to Mexico; in their school system the children must declare a career path in 8th grade. He asked what kid really knows what they want to do in 8th grade? So, we need to introduce these options earlier, rather than later.

Huss: when she was in high school it was choosing a college path or a working path that didn't prepare you for college, the CTE path is training for both. It's not a mutually exclusive tract.

Easley: the company that's going to be a part of this program, how would you approach them to get involved? Sanford said some will have to volunteer early. If we put the need out there and someone embraces that need and can come in part-time. Other schools have embraced this model by inviting in fast food places, like Chick-Fil-A and Pizza Hut, where the students could

work for those places for part of the day to learn about business. He's seen snippets of integrating school and school-to-work. The Government is upping the ante to get ahead. Kids and cities will get left behind if we don't keep up. It's hard to find good help but if we can train up our own help it will be valuable to us, and to our city.

Huss: maybe one of the things the MEDC can look at, because MISD is doing the bulk of the heavy lifting, is integrating internships with specific targets. Instead of just getting paid just minimum wage, offering supplemental pay to meet targets for additional learning opportunities as part of the job.

Angelo: if we can encourage kids to explore their career paths and give them a taste of the real world. There are two types of [character traits]. Entrepreneurs typically have both: producers and financial, critical thinkers. People aren't afraid of change but unprepared for change. They may get a few lessons along the way but it's part of growing and the best part of growing is the journey. Angelo is excited about the prospect of this path. The visionary advisory board is meeting on Wednesday, September 22nd, at 4 PM with a big group of other educators. Angelo and Sanford are representing the MEDC at this meeting.

Walker: a lot of college-aged kids think that mom and dad's money is never going to run out. That's the biggest lesson there.

Angelo: training kids to put away money for a raining day is valuable. MISD is about to have 75% growth within the next 5-7 years, with 600-700 new rooftops with children and families. This is going to have an impact.

Londeen: millennials were taught that a college degree is guaranteed success, which was misleading. The current generation is learning that that's not true so the idea that you must go to college is starting to wane. Now kids are wondering what other opportunities are available aside from going to college so offering this will be beneficial to teach students the other options. There are people just as successful without college degrees, as those with. This is something that the MEDC should support and push for.

Huss: if students know that there's hope for them working and owning their own businesses than our economy will benefit because they'll use their skills here and make our city grow with quality people who have skills and earning potentials.

ECONOMIC DEVELOPMENT REPORTS

7. City Administrator's Development Report September 2021

Presented by Richard Tramm

8. City Engineer's Report

Presented by Richard Tramm

There is a lot of commercial development happening on the East side of the city. Residential developments are occurring all around the city. Estates of Town Creek Crossing is getting close to applying for building permits for their homes, they are projecting 199 homes to be built. Hills of Town Creek Crossing is beginning another section. Those two developments will bring in 229 new homes sites. There is talk of another development that would add up to 500 homes, I would project a 5–6-year timeline on that. The city has doubled in population in the last 4-5 years. That kind of growth is difficult to maintain but we're able to do it for the next 4-5 years. Some of the construction projects, like the waterline project on 105 and 149, connecting water lines on the east and west sides of the city, is designed to make sure to make sure we have additional volume and address potential pressure concerns on the west side of the city. That will continue to mount as population continues to grow out there. It's interconnecting larger lines to where to some of the smaller lines.

Walker asked if it is typically the same amount of water, smaller pipe, better pressure? Is that all there is to consider is the better size of pipe? Tramm said new homes pulling more water causes pressure to drop. The City had to consider lines that were no larger than 6" at the time it was built. It's a mixture of volume and ability to maintain pressure.

Walker said to make topography a part of the consideration. He asked if the City was considering above ground water sources in the future? Isn't it by mandate that when your city gets a certain size you must have an above ground water source? Tramm said not necessarily. There is more than one way to maintain that type of pressure. In his opinion the best way to do that is through an elevated tank. It's supplying the pressure by flowing down. You can maintain the pressure through pressure pumps or ground tanks, like we currently have, that requires continuous power to be properly maintained. You can't have both options in one city. An elevated storage tank is the best option in the long run. That will be the subject of some discussion between city council this fall. New round of capital improvement planning.

Tramm said they planning for natural gas generators. The downtown water line is nearing completion. They're trying to switch over to the new line. Water plant #3 has begun the work that's occurring over there, that will culminate with replacing a 100,000-gallon storage tank with a 200,000-gallon storage tank. That will double the supply.

Walker asked if the tank be taken down and taken somewhere else if need be? No. It'd be best to tear down and replace if it needs to be moved.

Tramm - Lift station #1 project has been completed. Chick-Fil-A is on that lift station. Lift station #3 is on hold for future funding. The FM 149 turn lane project is moving forward. TXDOT 2021 transportation alternative projects, the city has 2 applications for sidewalks. The city would have to pay 100% of the cost and be reimbursed 80% of the project if it's selected for this project. We will know in October if we were approved. TXDOT has the Highway 105 access management project that ranges from 2854 here in Montgomery all the way to I-45 in Conroe. Putting up directive lanes for turning in the center lane to improve traffic safety. The city has done studies for speed on 1097. There are several things happening between the city and TXDOT. There is a development being discussed with Gracepoint Homes to bring in 450-500 homes on the Southwest part of the city, south of 105, essentially behind the high school.

Walker asked if that that number has fluctuated? Last he heard it was over 500 homes. Tramm said the tract of land is smaller than was originally talked about and the number may continue to fluctuate.

Walker asked if there are plans on 2854 to route out to lake creek? Tramm said that's outside of City limits.

Angelo asked if it is possible to get more information on the development going in there, is it open for the EDC to review? Tramm said we can only know what's available to the open public.

Easley asked if Jones and Carter are working on the design for Adler's branch drain. Will they work on designs for Town Creek as well? Tramm said that's not allowed under that grant program. They can address cleaning, branch clearing and things of that nature.

Walker asked what about culvert sizes? Tramm said it must be a multiprong approach that has to layer upon each other. GLO limits what can be done and it's too late to try to change the plans.

Londeen – Shipley's is moving to McCown Street. Any idea what's going to happen with the current location? Tramm said it is moving and it is unknown what is going to happen to the current location.

Easley – What part of Town Creek is apart of that \$2.2 million of the grant money? Tramm said the information isn't in front of him.

Walker asked about the turn lane turning west. Has Exxon has agreed to give up some land? Tramm said no, they are talking about the 149 Northbound, turning East. He's talked to Exxon but they haven't come to a solid conclusion.

9. Presentation on the State Comptroller's Role in Local Government Development Incentive Programs

Presented by Rebecca Huss

EXECUTIVE SESSION

Convened into executive session at 7:24 PM for the discussion of real property.

Convened back into public meeting at 7:56 PM.

CONSIDERATION AND POSSIBLE ACTION ON ITEMS FROM EXECUTIVE SESSION.

Carol Langley made a motion to authorize the City Administrator to discuss real property and seconded by Arnette Easley. All in favor. (7-0)

BOARD INQUIRY

None

ACTION ITEMS FOR FUTURE MEETINGS

<i>ACTION ITEM</i>	<i>ASSIGNEE</i>	<i>DUE DATE</i>

ADJOURNMENT

Motion by Carol Langley and seconded by Byron Sanford to adjourn the meeting at 7:57 p.m. All in favor. (-0)

Submitted by: Richard Tramm Date Approved: Oct. 18, 2021

Richard Tramm, City Administrator

Rebecca Huss

Rebecca Huss, MEDC President

