

**Notice of MEDC Regular Meeting
Montgomery Economic Development Corporation (MEDC)
AGENDA**

June 21, 2021 at 6:00 PM

NOTICE TO THE PUBLIC IS HEREBY GIVEN in accordance with the order of the Office of the Governor issued March 16, 2020, the Board of Directors will conduct its MEDC Regular Meeting scheduled for **6:00 PM on Monday, June 21, 2021**, at the City of Montgomery City Hall, 101 Old Plantersville Road, Montgomery, Texas via Zoom Teleconferencing.

This meeting will be **limited in-person** attendance by the public. A temporary suspension of the Open Meetings Act to allow telephone or videoconference public meetings has been granted by Governor Greg Abbott. These actions are being taken to mitigate the spread of COVID-19 by avoiding meetings that bring people into a group setting and in accordance with Section 418.016 of the Texas Government Code. Videoconferencing capabilities will be utilized to allow individuals to address the MEDC. Members of the public who wish to submit their written comments on a listed agenda item must submit them by email to rtramm@ci.montgomery.tx.us by 3:00 p.m. on June 21, 2021.

Members of the public are entitled to participate remotely via Zoom Teleconferencing. Citizens may join the Zoom Meeting by logging on: <https://us02web.zoom.us/j/82366760892> and using **Meeting ID: 823 6676 0892**. They may also join by calling (346) 248-7799 and entering the **Meeting ID: 823 6676 0892**.

The Meeting Agenda Pack will be posted online at www.montgomerytexas.gov. The meeting will be recorded and uploaded to the City's website the following day. *Notice - any person(s) using profane, abusive or threatening language may result in them being removed from the Teleconference Meeting.*

CALL TO ORDER

Reconvene Regular Meeting

OPEN PUBLIC COMMENT

APPROVAL OF MINUTES

1. Approval of MEDC Meeting Minutes May 17, 2021 Meeting.

APPROVAL OF FINANCIAL REPORT

CONSIDERATION AND POSSIBLE ACTION:

2. Update on Goat Mascot Costume which was approved at the May 17, 2021 Meeting, and review of proposed artwork.
3. Consideration and possible action on mid-year 2020-2021 FY MEDC Budget Amendment.

ECONOMIC DEVELOPMENT REPORTS

4. City Administrator's Report
5. Development Report for May 2021
6. Sales Tax Report for May 2021

EXECUTIVE SESSION

The MEDC Board of Directors reserves the right to discuss any of the items listed specifically under this heading or for any items listed above in executive closed session as permitted by law including if they meet the qualifications in Sections 551.071(consultation with attorney), 551.072 (deliberation regarding real property), 551.073 (deliberation regarding gifts), 551.074 (personnel matters), 551.076 (deliberation

regarding security devices), and 551.087 (deliberation regarding economic development negotiations) of Chapter 551 of the Government Code of the State of Texas. (There are no items planned at this time.)

POSSIBLE ACTION FROM EXECUTIVE SESSION:

BOARD INQUIRY

ADJOURNMENT

/s/Richard Tramm_____

Richard Tramm, 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 June 18, 2021 at 4:15 p.m. I further certify that the following news media was notified of this meeting as stated above: The Courier

This facility is wheelchair accessible and accessible parking spaces are available. Please contact the City Secretary's office at 936-597-6434 for further information or for special accommodations.

MINUTES OF REGULAR MEETING

May 17, 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
 Carol Langley – Treasurer
 Ryan Londeen – Secretary
 Dan Walker – Board Member
 Jeff Angelo – Board Member
 Byron Sanford – Board Member

Absent: Arnette Easley – Vice-President

Also Present: Richard Tramm – City Administrator

PUBLIC HEARING

Public Comment Opened at 6:01 PM.

- 1. Hold Public Hearing on Grant Request from Reflective Life Ministries to Receive Public Comments**

No public comments

Public Hearing Adjourned at 6:02 PM

OPEN PUBLIC COMMENT

No public comment

APPROVAL OF MINUTES**2. Approval of Minutes of Public Hearing and Regular Meeting held on April 19, 2021**

President Huss added a correction on page 4 regarding the Antique Festival presentation. The presentation stated that it is a 4.2-billion-dollar industry, not a 4.2-million-dollar industry as stated in the minutes.

President Huss also noted that in a statement, on page 8, it states “too low or too low”. Instead, it should more than likely state “too high or too low”.

Motion to approve the Regular Meeting Minutes was made by Carol Langley and seconded by Dan Walker. All in favor. (6-0)

APPROVAL OF FINANCIAL REPORT**3. Approval of April 2021 Finance Report**

Finance report was presented by Carol Langley.

The report is through April the 30th.

Sales tax transfer 110,048.17. It won't show up until next month. Received 5th payment of \$63,000 for the land purchase.

Paid for the fence at the Old Cemetery to the Montgomery Historic Society for \$9,500.

Made a sales tax transfer for April of \$53,801.62.

Transferred the \$160,000 for the downtown water line project that was approved at the last meeting.

Tramm stated that there is a dip in sales from March to April. March and April tend to go back and forth as far as which is higher in sales tax so there is not a consistent pattern. April payment was for the February business and a lot of February businesses were closed down for a week which would affect the amount of sales that is collected.

President Huss noted that the sales tax is up 40% year on year. Regardless of how terrible February was, it's still a good increase.

Motion by Jeff Angelo, seconded by Ryan Londeen, to approve the April 2021 Financial Report as presented. All in favor. (6-0)

CONSIDERATION AND POSSIBLE ACTION

4. Consideration and possible action to conduct a photo contest featuring scenic sites in the City of Montgomery

Angelo asked who was being informed about the contest. Will social media be used and how will those photos be judged. Tramm stated that it will be advertised primarily through Facebook and the information can be put on utility billing and on the electronic sign. Tramm is open to other considerations.

Angelo asked what the extra money is being allocated toward if the prize is only \$175. Tramm said the funds have not been fully allocated.

Angelo asked if it possible to move money from one line item or another. Tramm said there is discretion within the board to do that.

President Huss suggested that there should be multiple photo contests for separate categories including historic homes, nature, etc. to help capture the lesser known sites in the City. Tramm said the same price structure could be applied across the different categories.

Angelo suggested boosting the content on Facebook to bring more awareness to the event. President Huss said a social media budget could be added to the contest as well.

Tramm can organize the different divisions or categories based on the budget of the contest.

Angelo could help with getting the word out.

Londeen said he doesn't want to participate in the event but has some pictures he can give to the City for free.

Motion by Jeff Angelo, seconded by Byron Sanford, to conduct a photo contest with a budget not to exceed \$1,000 featuring scenic sites in the City of Montgomery. All in favor. (6-0)

5. Consideration of Economic Development Grant Request from Reflective Life Ministries

Tramm presented the agenda item along with his report on how to best quantify the value of the potential grant.

Mr. Weaver, with Reflective Life Ministries, stated the grant would be used to increase tourism in the City. He used the show, *Stranger Things*, as a case study. The show was filmed in Jackson, Georgia and that City has seen an increase in tourism as a result of the film. Reflective Life Ministries will produce some deliverables to help increase tourism in the City of Montgomery. One of these would be a marketing video that will be like a public service announcement. They will produce this video which would cost around \$12,000 if they sold that same service elsewhere. They will walk through the City, talk about the City, and highlight some historical spots in the City. They will include some of the actors from the show. This marketing video could be a tool to increase tourism in the City. They will also build a webpage on their website, and it will list all of the locations that the show was shot at along with photos of each site (such as the clock tower). They will include a location along with some facts about the site. They will go through the entire series, pick 3 or 4 iconic places per episode, and build the website out with

this material. There are about 20 to 30 websites that have been built for Stranger Things showing where the different sites in the show were filmed. This is an example that there is a huge demand to know where these filming locations are. This webpage would be built before the show comes out. They will also create professional photographs at different iconic sites with the actors, and these will be made available for the City.

Mr. Weaver played a trailer for the show.

Tramm discussed an addendum to the standard agreement that will include the deliverables as part of the agreement. These include a video of about 2.5 minutes long that could be used by both parties and used to promote City's tourism with an expected delivery date of October 15th; a photoshoot at the iconic sites by October 1, 2021; digital copies of iconic sites and City views by July 1; and will also be promoting their product while also promoting the City.

Angelo asked how many visits they received for their website and how many likes on their Facebook page. Weaver said the show has about 17,000 followers, but that it will grow when the film becomes available. The film is also being entered into multiple film festivals which will boost followers. It has also won awards.

Angelo asked how Jackson Georgia is monetizing on the higher tourism due to Stranger Things. Mr. Weaver said the tourism has happened organically. People just like to come see places where shots were taken in the show. The monetization comes from the tourism with people coming from out of town and lodging and shopping in the City.

Angelo said he has been a big fan of the show and that it's a no brainer. He indicated that Tramm has made some ways available to make the grant funding possible.

Tramm indicated that Facebook boosting is one of the City's primary means of marketing right now. Assuming the same number of views received by Reflective Life Media's previous production, the cost per view will be much more cost effective than social media boosting by as much as 8-fold.

Angelo asked if the City has done any exploration with utilizing the Tik Tok platform and noted that it can be an effective platform for the younger generation. Tramm said that specifically is outside his area of expertise but understands the value can be there. Tramm sees the value in video tourism and used the show, One Tree Hill, as an example in that his daughters wanted to go to Wilmington NC as a result of that show.

Angelo suggested stacking social media platforms, including TikTok, to attract all demographics including kids who often influence their parent's decisions.

Mr. Weaver indicated that there was no tourism collaboration between the show, Stranger Things, and the City. With the partnership on this show in Montgomery, this tourism effect will be expedited and made greater.

Angelo said its good for businesses for the MEDC to be a catalyst to help the show and to advertise different iconic spots in the City. He said these opportunities don't come around often for small towns like Montgomery.

President Huss noted that kids don't really care about history of the city. They care about taking pictures of themselves at different locations. The City has the history, but the younger generation don't actually care about the history that has drawn people here. The MEDC needs to be realistic about what is driving tourism.

Tramm indicated that the amount of the grant is \$20,000 and that any grant over \$10,000 will need to be approved by City Council. Angelo asked if this was true even if you moved the funding to different line items. Tramm indicated that that would violate the spirit of the law and it would be bad to make it appear that the MEDC is trying to circumvent the law. Angelo agreed.

Sanford said he didn't see any reason not to approve the grant. He also sees the show as a huge need.

Londeen indicated the show is good, it's a good idea, and good for the City. He cautioned against comparing the show to Stranger Things and wouldn't expect the Stranger Things phenomenon to happen here with this show.

Angelo said the faith community gets behind things like this and getting the faith community behind something like this makes it an unstoppable machine. People want to support good causes and that is the bonus. The meat behind the message is teen suicide and you can't put a price on one life.

President Huss agrees with that statement 100%. However, economic development needs to be the primary motivation of the MEDC.

Langley indicated that she has doubts and that \$20,000 is a lot of sales tax money to spend on a movie. She doesn't doubt the movie will bring tourism but is hesitant on the amount.

Tramm was initially hesitant until he looked into it deeper.

Londeen indicated that he appreciated Tramm breaking down the numbers since he is a numbers guy. He liked the clicks per dollar compared to the social media boosting and that is what sold him, not to mention the other deliverables that are being provided. Using the 4.5 million views from their previous production, he feels confident that this will be great marketing material for the City.

Sanford indicated that he would not have been comfortable with the project had Tramm not broken down the numbers.

Walker said that according to the numbers when compared to the Facebook boosting numbers, he would support the grant.

Londeen asked if this agenda item is to give Tramm direction on how to adjust the budget. President Huss said it can be funded completed from the grants with a budget amendment that is coming later in the meeting or fund it partially out of the professional services category.

Tramm suggested using the remaining funds from the grant category and then supplementing the rest from the professional services category.

President Huss indicated that it may be awkward that with the [Old Cemetery] fence, payment was demanded at the end of project whereas with this project under the professional services, it will be paid in advance of project. Tramm indicated that this is an exceptional project and would be an exception to what is normally done. He noted that the deliverable due dates are provided in the addendum document. Some of the items will be delivered before the project is complete. The first check can be made after that 1st delivery item.

President Huss asked if it will be billed in 2021. Tramm said it will be portrayed for current fiscal year.

Londeen asked if the 1st deliverable would be collateral and what would that be? Tramm indicated that it would be digital copies of images of iconic sites. Londeen asked if everyone was comfortable with that as collateral. President said she thought so. Tramm said they are putting their good name on the line and are active in the community. They have already taken the first step to be here in the community and use the City as a backdrop.

Jeff Angelo made a motion to fully fund the \$20,000 grant using the remaining \$10,500 from the Grants category and with the balance of \$9,500 funded from the Professional Services category. Byron Sanford seconded.

President Huss indicated that this item will now go before City Council at their next meeting for approval per law and long-standing practice of the MEDC.

5-1 (Carol Langley opposed the motion)

6. Consideration and possible action regarding Downtown Design and Streetscape Improvement Plan

Lori, with the Gunda Corporation, presented. The design team is looking for key feedback information for different options and opportunities before presenting the final document. One of the most important points of conversations is how to treat parking on Liberty Street.

President Huss asked who had seen the presentation prior to the MEDC meeting. Londeen indicated he had, and Sanford indicated he had seen the last few minutes.

Lori presented head-in parking (Option 1), 60-degree parking (Option 2), some parallel parking (Option 3). TxDOT guidance is safety first and to reduce incidence with moving traffic. There are, unofficially, roughly 24 parking spaces currently on both sides of the street. The various street parking options presented all impact pedestrian space and parking availability differently with head in parking using up more real estate that could otherwise be used for pedestrian space and parallel parking using less real estate but providing less parking spaces. Wider walkways also open up space for store fronts.

Sanford noted Option 3 gives the most aesthetic appeal and is the safest options. Lori agreed.

Angelo asked if the City can use the private parking areas. Lori said that the City has an agreement with some of them. Some have no parking signs, but they are minimal.

Angelo said Option 3 seems the safest, but that people seem to be looking for parking during festivals. He said getting in and out of 149 is treacherous.

Tramm said he is most in favor of Option 3. It is the safest option with reducing parking traffic crossing the road. It does give up parking spaces but there are options to address that. The more pedestrian space that is made available will increase foot traffic during events which will help those business located along 149.

Angelo said the City needs some designated pedestrian crossings due to all the people that need to cross 149, with kids in tow.

Angelo liked option 3. It has less cars parked on 149 which increases safety. He is concerned about losing parking stalls for business, but the current setup is bad. He said it makes sense to put less cars in people's pathways and make more structured pedestrian passageways.

President Huss said it is important to understand that Option 3 will be taking away something people have felt is valuable. While the functionality and improved aesthetics is very positive, it will not compensate for the feeling of loss. The MEDC needs to figure out a way to compensate for that.

Angelo asked if any of the business had any comments during the presentation before the MEDC meeting. President Huss said no. Angelo indicated the MEDC may still need to hear from their perspective. President Huss said that was a problem on this project, before Gunda Corporation came along, in that it was a TxDOT shove-down-your-throat project to come steam roll the town. This is a huge improvement from that but the feeling of not being consulted is an important component to getting this right.

Langley said she is concerned about those companies that will lose their parking such as Burger Fresh, Antique Emporium, etc. There's really no claimed street parking on the east side. On the west side, those companies don't have any parking in the back.

Angelo asked how this plan will encroach into the parking in those business. President Huss and Langley indicated that it cuts the parking off completely.

Walker asked if there are other places for off street parking that the City has access to. There are a few places that a privately owned where it is forbidden to park there. Angelo said his parking lot was overwhelmed with parking from a recent event.

Angelo said he can't see a way of taking away parking from Burger Fresh and Ranchers Daughter. President Huss indicated this is south of Burger Fresh and does not impact parking at Burger Fresh.

Lori said existing parking is 378 with some being private and some public. The City can get over 500 parking spaces pursuing cooperative agreements. Other parking such as Brookshire Brothers or Jim's Hardware could provide parking and use trolleys to transport people across major intersections.

Angelo asked if there is available parking behind Ranchers Daughter. Langley said its private parking and Rancher's Daughter does not own that property.

Londeen asked how many parking spaces the City needs assuming the study is following the guidelines for new development.

Gunda Corp indicated that success of downtown development cannot be met with on street parking. This will need to be met with cooperative parking. They are not asking the MEDC to make specific decision, but to decide on a vision. No matter what, some type of cooperative offsite parking is required for the long-term success of the downtown area.

Angelo said it seems like this is needed anyways, and we want people on the sidewalks during big events and not in the streets. If its just a few pockets, then there can be easy ways to compensate the businesses.

Sanford agreed safety is a concern.

Londeen said he likes option 3. He does not like to park on 149 because it is dangerous. He said that pulling into a stall on 149 disincentivizes him to park there. He indicated that tourists probably have a hard time finding the other parking places in the City. Lori said they will implement a way finding plan for the City to follow.

Angelo said, considering safety and the fact that it disperses people throughout the city, option 3 is a no brainer.

Londeen indicated that the short-term parking provided in Option 3 may be a sort of middle ground to allow some type of immediate parking access to the stores.

President Huss said there is a need for more pedestrian space that the stores could potentially also use for tables, etc. She indicated that the City needs a long-term parking solution.

Walker asked about the empty property by Burger Fresh as to whether it is public or private. Langley said it is private.

Tramm said once he knows the direction the MEDC wants to take, he will start taking other steps in identifying other parking options.

President Huss suggested that once the pedestrian real estate is available, it could be offered to businesses to expand into it. The MEDC or the City needs to buy the parking areas that they can own and control.

Angelo floated the idea of a parking garage. Gunda Corporation indicated that the economics for a parking garage will probably not work.

Angelo asked if it is best to encourage collaboration with private businesses. Gunda Corporation suggested that is the way to go.

Angelo said you can get creative with mobility such as buggies, trolley, etc. Walker used the Trolley system in Galveston as an example.

President Huss presented a roll call for choosing one of the three options. All members were in favor for Option 3 (the on street parallel parking option). (6-0)

Lori presented the intersection at 149 and Clepper Dr. The goal is to slow traffic on 149 from the north and to provide an entry monument. She presented two split median options with landscaping and a round-a-bout option. She indicated that TxDOT likes the round-a-bout because it slows down traffic. It does however require more ROW. The center of the round-a-bout provides space for a center monument.

Londeen noted that it's easy to forget that you are entering a City and need to slow down. He, therefore, likes the idea of having a round-a-bout because it slows drivers down. He said he has driven the one in Shenandoah and it's perfectly fine to drive and that they are intuitive.

Angelo said it creates character, creates a northern monument, and even allows for direction signage. It can be a focal point. He asked if the ROW will create an issue for any of the business.

Walker indicated the existing ROW is 50-ft and doesn't meet State code. He asked how much ROW will be required for the round-a-bout. Lori indicated it would be about 115-ft at the particular bulge. It will not require removing any structures or dislocating anyone.

Angelo indicated safety first and Walker agreed. President Huss said turning out of Clepper with people coming quickly on 149 is dangerous. She said the other options make her nervous. Round-a-bouts will reduce head-on collisions and the need for a traffic light there.

Tramm indicated that the round-a-bout will slow people down but still allow them to move as opposed to a traffic light that will make them stop completely.

President Huss said it makes sense but acquiring the property for the ROW may pose a problem. She is willing to try it.

Langley said a round-a-bout was not suitable for downtown Montgomery.

Langley objected to the round-a-bout option. Sanford, Angelo, Walker, Londeen and President Huss approved of the round-a-bout option. (5-1)

Angelo asked if the plan is in the design phase. Lori indicated that its just an exploration phase to determine where the MEDC wants to go with the plan. They are just setting the guidance up to implement later.

President Huss said this will allow the MEDC to say exactly what it wants for improving downtown.

Angelo thinks the plan will be a huge win for the City.

Lori said that now the City has the plan, in the event TxDOT wants to make improvements to 149, the City can present to them the details of what the City wants to do and it will already have TxDOT's buy in.

7. Consideration and possible approval of budget amendment and additional expenditure items.

Monty the Goat

Tramm presented the Monty the Goat mascot costume.

Angelo said the MEDC could be creative with this idea and make it an honor to be a part of the mascot team. Tramm said there needs to be a high standard to represent the City.

Angelo asked if the city has insurance to protect for things such as outrageous actions of the mascot. Tramm indicated that the City does have a broad liability insurance and would ensure that proper insurance is provided.

Tramm said this costume would be used as a mascot at festivals. He used an example of the Chick-Fil-A cow making appearances to events. The Chick-Fil-A cow and Monty could potentially do things together.

Angelo asked if the marketing stuff is locally or corporately directed at Chick-Fil-A.

Angelo mentioned that Chick-Fil-A could potentially provide direction. They have a mascot training program that they may be willing to share.

Sandford said you'd want to keep the same color scheme: red, white, and blue. The mascot would be an icon, so the color consistency matters. Tramm said there may be changes when taken to final product.

President Huss said the real question is what the mascot is wearing.

Angelo said the colors give it a Texas feel. He said may change clothes but the general look stays the same.

Langley said she is not for the goat.

Londeen said he is a numbers guy and it's hard to quantify return on investment for something like this. He indicated that he likes the goat but has a hard time justifying spending \$9,000 on a costume. Tramm said the interaction with people such as photos will do some of the City promotion for you.

Angelo said the City can embody its spirit of friendliness through this icon. It says, "I'm fun".

President Huss asked how long these costumes will last. Angelo said the costume will last years, probably five years, as long as you maintain them and clean them regularly. He said by that time, the City should have monetized a few grand.

President Huss indicated that the question is, is two grand a year an investment worth making.

Angelo provided examples of how the mascot could be further commercialized. Tramm reiterated that the goat could become a product line of his own. President Huss said it may be stretching things to get into the goat merchandizing business.

Walker asked if there are any companies out there willing to sponsor the goat costume

Angelo offered, on behalf of Hodge Podge Lodge, to add \$2,000 to sponsor the goat. He said there may be other companies that may be willing to participate.

Walker said there's a lot of things that need to be done to promote the town.

Angelo said he made a living in mascot business. Parents love what their kids love, and children will get attached to the goat. It can get pushed on social media and it will spread.

President Huss indicated that Monty already has a Facebook page but just waiting to be pushed out.

Londeen said that not many people know about the goat and that it's a big leap to invest \$9,000 into something that not many people know about. Angelo said the MEDC has to start somewhere with the goat. He said it's fun and its easy to get behind something this fun.

Tramm noted that there is no one doing the marketing for the City. He is preparing ideas and bringing them to the board. If the board does not want to go with this idea, then staff can move onto the next idea.

President Huss said Monty the goat may help with some of the heavy lifting of marketing the City.

Londeen asked what budget line item the costume would be coming out of and the amount of that budget line item. Tramm indicated professional services with a budget of \$49,000 for the year with \$9,500 being used for the Breaking Strongholds grant.

Londeen asked what other items may be coming out of this budget item in the future. Tramm said it was mostly tied to social media promotion including video production. However, with the pandemic, some of those things did not happen which is why a bulk of the budget is still intact.

President Huss indicated they were planning on \$500 a week for 1 video a week for social media video content.

Londeen said he is still on the fence but appreciates the Hodge Podge Lodge making a formal commitment toward the mascot. He is more open to it if local businesses are willing to invest in the idea.

Angelo said it's about creating a buzz in a unique way that people don't expect. It will gain momentum and will stick around for a while. The goat will create happiness and happiness will get people coming back with their pocketbooks and smiles on social media.

Sanford said he shares the vision. He asked if it needs to go to City Council. President Huss said no, the item is below the threshold that triggers the need to go to City Council. He indicated with Hodge Podge Lodge's investment; he is even more behind it.

Angelo restated his commitment of \$2,000 toward the project with no quid-pro-quo.

Londeen asked if Chick-fil-A would be willing to partner and do events together. Tramm said he cannot promise they would commit to that but that they are looking for ways to do things that help identify them with the town and seemed excited about the prospect of the City getting a

mascot. Angelo said it doesn't get any better than getting Monty and the Chick-Fil-A cow together for a photoshoot.

Walker indicated there is a local real-estate company that will be willing to commit \$250.

Motion by Dan Walker, seconded by Byron Sanford, to fund \$7000 for a mascot costume.

Motion carries, 5-1. Carol Langley objected to the motion.

Goats on parade.

Tramm presented the goats on parade concept.

Angelo said he still doesn't get it. Tramm said money would be spent on physical goats that will be placed around the historic parts of the City.

Angelo asked if the MEDC is trying to create an icon, is it a good idea to already start with changing it up.

Sanford agreed with Angelo about trying to get a recognizable icon out there. Hutto the Hippo is their school mascot as well. Monty is not the same since its not the school mascot.

Londeen stated that he is worried about branding and consistency with colors. To push a mascot, it has to be recognizable. He is also concerned about tacky looking colored goats around the City.

Angelo said it may be best to focus on the costume first and that the goats on parade are farfetched for now. He asked if it should be revisited later.

President Huss thinks it's a fantastic idea. Angelo said it's a good idea, but the timing may not be right.

President Huss moved the board on to the next item.

Event Support Item

Tramm presented needs for support items that are repetitively used for events.

President Huss indicated that there is not enough money in the events category for this and suggested reducing the amount. President Huss also asked if \$2000 was enough and mentioned barricades that were needed for the Christmas parade. Tramm indicated the MEDC could start at \$2,000 and other support items could be brought to the board later.

President Huss said it is a good idea generally.

Jeff Angelo motioned to allocated \$2000 for event support items from the events category. Ryan Londeen seconded. All in favor (6-0)

Movie Night

Presented by Tramm

Angelo asked how many attended two years ago. President Huss said around 100 to 150.

Angelo asked if companies bring snacks. President Huss said people will bring their own snacks.

Angelo asked if there are alternate rain nights. President Huss said yes. You have a year from when you cancel to reshow the movie if it rains.

Angelo asked if this is for labor related fees. President Huss said it is for the movie rental fee.

Angelo asked how much per movie. President Huss said it depends on the movie.

Angelo asked if there are sponsors for this event. President Huss said that State Farm is sponsoring this event.

Angelo said it's a great idea. It will bring families together. Said it would be good to expand on it some more. He thinks other companies will want to get involved to enhance the experience.

Jeff Angelo motioned to allocate \$1,925 to fund Movie Night in Montgomery from the events category. Dan Walker seconded. All in favor (6-0)

Antiques Festival

Presented by Tramm

Angelo asked how people many came to the event given that it was rained out. President Huss said that some vendors did phenomenally well. Angelo said Miles Mark did not do so great. President Huss said he struggles because the event doesn't typically go all the way over to Prairie. Everyone who had an indoor place did well.

Angelo said it appeared to be professionally well done.

Langley asked if the numbers were down due to weather. President Huss said there were people canceling at the last minute because they only had to put half of the fee down prior to showing up. There is more risk on the event planners than on the vendors because the event planners had to pay to put the tents up for them. Additionally, COVID has been hard on small vendors.

Langley said it was a lot of different vendors that were not there in the past. President Huss said it was good to have an eclectic mix.

Angelo asked who gathers the funds and what those funds go towards. President Huss said money only covered construction of the tents and porta-potties. Angelo asked if the reservation fee date could be pushed up some so that there is more risk to keep the reservationists accountable and prevent them from backing it. President Huss agreed. It is an unfair burden to those who are putting on the event.

Langley said many came Friday night.

President Huss indicated this is the 3rd largest event in the City and it's an important event. Angelo said it will come back strong. President Huss said this is the 21st event and it has a strong following.

Carol Langley motion to fund the Antiques Festival for \$3,000 from the events category. Dan Walker seconded. All in favor (6-0)

Downtown Improvement Projects

Angelo asked what's been done in the past for downtown improvements. Langley said planters one year and repaving of McCown Street several times.

President Huss recommended improving the pavilion to include lights, speakers, etc.

Langley asked if it's on City property. Tramm said its on City leased property.

Angelo asked if the covering is waterproof. President Huss said no. It has holes.

Angelo asked if it could use an update. Langley said it could use an update.

Angelo asked if bands show up there. Langley said every Thursday. President Huss would like to have a gospel brunch every Sunday.

Angelo asked if it is an open book on how to spend the money. Tramm said that is correct.

President Huss said if the MEDC does not spend the money, the money just goes into the bank account that is accumulated to fund projects in the future.

Londeen indicated that the MEDC has some cash stored up and he'd like to see those funds firmly allocated. He asked if it would be best to save these funds for a future, larger project. The pavilion improvements could be wrapped up into the bigger scope of improving all of downtown.

Angelo asked about seating in the area. Langley said there is some seating. Everyone agreed the seating is limited.

Londeen stated he wants to make sure the improvements make sense from the big picture. Tramm agreed that you don't want to do much before the downtown plan but you still want to do improvements. President Huss said the pavilion is in their plan and there are things that can be done now to improve it.

Angelo asked if there was storage for items. Tramm said there is only a little storage available.

Angelo suggested even doing a movie night at the pavilion.

Londeen said he is definitely for improving downtown, but he wants to make sure the MEDC is considering the bigger plan. President Huss agreed. Londeen said its better to do the project right at a later date rather than partial piecemealing it now.

Londeen asked if Gunda Corporation will be providing estimated costs and if it will be phased. Gunda Corporation indicated that they will be providing cost estimates. The items can be prioritized as the MEDC sees fit.

President Huss moved the board on to the next item.

ECONOMIC DEVELOPMENT REPORTS

8. City Administrator’s Development Report

Presented by Richard Tramm.

9. City Engineer’s Report

Presented by Richard Tramm

Angelo asked for updates on the food truck park, Moons Over Montgomery, and the Kameron Tract. Tramm said it is rumored that the food truck park may not develop but that the last he heard it is still in consideration. The Moons over Montgomery is rumored to be having trouble getting financing due to the pandemic causing banks to not lend out funds for hospitality. Tramm is not sure if the project will be put on hold or closed. The Kameron tract developers closed on the property last week. The development will include around 400 to 500 homes. It will require a portion of the property to be annexed into the City. Angelo asked if it will be strictly homes. Tramm said it will most likely be large lot homes.

Londeen asked about HEB. Tramm said there is some movement going forward and was reached out by some of the property owners closer to the road with regard to water, sewer, and growth in the area. They will reach out to HEB to see about their schedule. Tramm said it is encouraging but there is no development.

Tramm said the area outside of the City along FM 2854 is growing steadily. Londeen said HGAC indicated that the southwest region of Montgomery County should double in population by 2040. Tramm said the population of the City of Montgomery has pretty much doubled in the last 4 to 5 years.

Londeen said the MEDC needs to focus on keeping the small town feel in Montgomery that everyone loves about the City. Angelo agreed. Angelo said it’s a dichotomy of trying to grow yet feel small.

EXECUTIVE SESSION

CONSIDERATION AND POSSIBLE ACTION ON ITEMS FROM EXECUTIVE SESSION.

None

BOARD INQUIRY

None

ACTION ITEMS FOR FUTURE MEETINGS

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

ADJOURNMENT

Motion by Carol Langley seconded by Ryan Londeen to adjourn the meeting at 8.54 p.m. All in favor. (6-0)

Submitted by: _____ Date Approved: _____

Richard Tramm, City Administrator

Rebecca Huss, MEDC President

**Montgomery MEDC
AGENDA REPORT**

Meeting Date: June 21, 2021	Budgeted Amount: N/A
Department: MEDC	Prepared By: Richard Tramm

Subject

Update on Goat Mascot Costume approve at May 17, 2021 Meeting and review of proposed artwork.

Recommendation

Review the attached artwork and provide comments, as appropriate towards getting to a final design.

Discussion

The MEDC Committee working on the Goat Mascot Costume has narrowed down its search to a single company and is reviewing the latest proposed artwork for the costume. A copy of this artwork is attached here for the MEDC Board of Directors to review and comment.

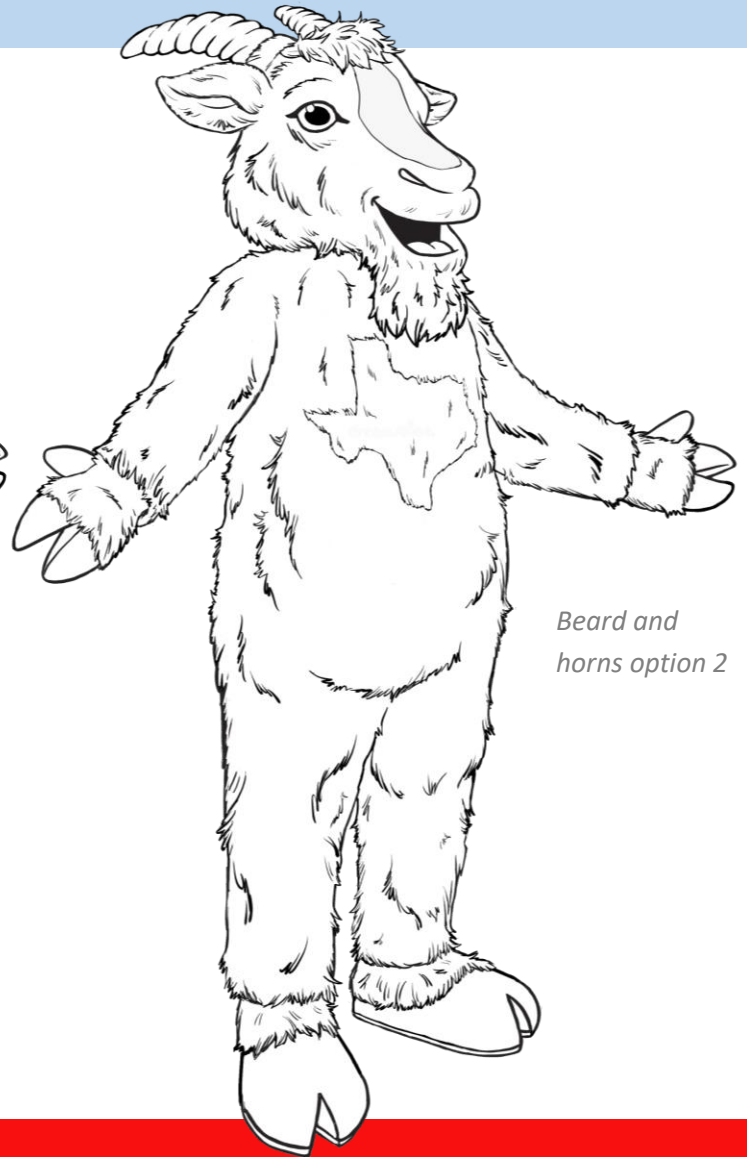
Approved By

City Administrator	Richard Tramm	Date: June 16, 2021

Your Custom Artwork



Beard and horns option 1



Beard and horns option 2

Details of Construction

Your mascot will be constructed with the highest quality materials available with keen attention to detail. **Monty Mascot** includes: hand sculpted/hand covered oversized mascot head with battery operated ventilation fan; inner or upper body padding (where applicable); fur jumpsuit with applique State of Texas; hoof hands; hoof feet. Your mascot will be created in a way so that all of the material parts of the costume are machine washable and easy to maintain. We anticipate your character to weigh less than 35lbs and would be able to fit into a standard cardboard box.

Some of the People We've Worked With...

Toronto Blue Jays
 Toronto Maple Leafs
 Kansas City Royals
 TD Bank
 RBC

Alberta Motor Association
 Energizer Canada
 National Money Mart
 Nestlé Canada
 Pacific National Exhibition

Domino's Pizza
 Famous Dave's
 General Mills / Pillsbury
 PICO International - Bahrain
 Kraft General Food

How does the heart get in a Sugar's Mascot? [Find out what makes us different](#)

**Montgomery MEDC
AGENDA REPORT**

Meeting Date: June 21, 2021	Budgeted Amount: N/A
Department: MEDC	Prepared By: Richard Tramm

Subject

Consideration and possible action on mid-year budget amendment.

Recommendation

Review the enclosed items in the proposed budget amendment and consider for approval. They may be approved individually or as a group.

Discussion

Attached are a proposed amended budget for the current fiscal year and a descriptive narrative of the proposed changes. In the sheet showing the accounts, it shows the original adopted budget for this fiscal year (2020-21 Adopted Budget), the amended budget including the changes made to date by the MEDC Board of Directors for this fiscal year (2020-21 Amended Budget #1), and the Proposed Amended Budget with updates recommended because of actual activity during the year or because of changes being recommended by the City Administrator (2020-21 Proposed Amended Budget #2).

Approved By

City Administrator	Richard Tramm	Date: June 17, 2021

MONTGOMERY ECONOMIC DEVELOPMENT CORPORATION
Amended Budget #2
2020-2021

	2020-21 Adopted Budget	2020-21 Amended Budget #1	2020-21 Proposed Amended Budget #2
Income			
55000 · Taxes & Franchise Fees			
55400 · Sales Tax	\$675,000	\$675,000	\$927,940
Total 55000 · Taxes & Franchise Fees	\$675,000	\$675,000	\$927,940
55300 · Other Revenues			
55391 · Interest Income	\$4,000	\$4,000	\$5,000
55399 · Misc. Income	\$0	\$0	\$160
Total 55300 · Other Revenues	\$4,000	\$4,000	\$5,160
Total Income	\$679,000	\$679,000	\$933,100
Expense			
56000 · Pub Infrastructure - Category I			
56000.6 · Downtown Dev Improvements	\$112,000	\$112,000	\$112,000
56000.7 · Streets & Sidewalks	\$10,000	\$10,000	\$10,000
56000.8 · Utility Extensions	\$50,000	\$50,000	\$50,000
56000.B · City Capital Projects	\$160,000	\$160,000	\$160,000
56000.C · Future Downtown Dev. Project	\$0	\$0	\$200,000
Total 56000 · Pub Infrastructure - Category I	\$332,000	\$332,000	\$532,000
56001 · Business Dev & Ret -Category II			
56001.8 · Sales Tax Reimbursement	\$115,000	\$115,000	\$125,000
56001.9 · Economic Development Grant Prog	\$20,000	\$20,000	\$20,000
Total 56001 · Business Dev & Ret -Category II	\$135,000	\$135,000	\$145,000
56002 · Quality of Life - Category III			
56002.1 · Walking Tours	\$0	\$0	\$0
56002.2 · Removal of Blight	\$15,000	\$15,000	\$15,000
56002.3 · Events	\$34,000	\$2,415	\$2,265
56100.1 · Neighborhood Water Party	\$1,000	\$2,360	\$2,360
56100.5 · Lighting Up Montgomery	\$2,000	\$2,000	\$2,000
56100.6 · Southern Rum Runners	\$0	\$7,800	\$100
56100.7 · Mudbugs and Music	\$0	\$8,000	\$6,350
56100.8 · Christmas Parade	\$0	\$1,500	\$2,000
56100.9 · Contests/Prizes	\$4,000	\$4,000	\$4,000
56100.A · Events - Equipment	\$0	\$2,000	\$24,000
56100.B · Montgomery Quilt Walk	\$0	\$3,000	\$3,000
56100.C · Montgomery Antiques Festival	\$0	\$3,000	\$4,600
56100.D · Movie Night	\$0	\$1,925	\$1,925
56100.E · Fernland Dedication	\$0	\$2,000	\$2,000
56100.F · Pet Parade	\$0	\$1,000	\$1,000
56100.G · Montgomery Fall Festival	\$0	\$0	\$9,500
56100.H · Snow in Historic Montgomery Tx	\$0	\$0	\$20,000
56002.4 · Downtown Enhancement Projects	\$30,000	\$30,000	\$30,000
Total 56002 · Quality of Life - Category III	\$86,000	\$86,000	\$130,100
56003 · Marketing & Tourism-Category IV			
56003.5 · Brochures/Printed Literature	\$4,000	\$4,000	\$4,000
56003.C · Website	\$8,000	\$8,000	\$6,500
56003.F · Social Media Advertising	\$3,000	\$3,000	\$3,000
56003.G · Historical Signage	\$2,000	\$2,000	\$2,000
Total 56003 · Marketing & Tourism-Category IV	\$17,000	\$17,000	\$15,500
56004 · Administration - Category V			
56004.1 · Admin Transfers to Gen Fund	\$47,500	\$47,500	\$47,500
56004.3 · Miscellaneous Expenses	\$500	\$500	\$500
56004.6 · Consulting (Professional Services)	\$49,000	\$32,500	\$34,000
56014.1 · Prof Serv - Reflective Life	\$0	\$9,500	\$9,500
56014.2 · Goat Costume	\$0	\$7,000	\$7,000
56004.7 · Travel & Training Expenses	\$10,000	\$10,000	\$10,000
56004.9 · Technology	\$2,000	\$2,000	\$2,000
Total 56004 · Administration - Category V	\$109,000	\$109,000	\$110,500
Total Expense	\$679,000	\$679,000	\$933,100
Net Income	\$0	\$0	\$0

Proposed Amendments to MEDC Budget FY 2020-2021

The accompanying sheet shows the original adopted budget for this fiscal year (2020-21 Adopted Budget), the amended budget including the changes made to date by the MEDC Board of Directors for this fiscal year (2020-21 Amended Budget #1), and the Proposed Amended Budget with updates recommended because of actual activity during the year or because of changes being recommended by the City Administrator (2020-21 Proposed Amended Budget #2). A summary of these items is presented below.

Income

55400 Sales Tax Recommended change due to actual activity during fiscal year to date. The MEDC Board took a conservative approach to budgeting income early in the pandemic. Income was higher than anticipated by a wide margin due, in large part, to changing buying patterns of local residents in ways that benefitted the City/MEDC with increased sales tax collections. (\$252,940)

55391 Interest Recommended change based on actual activity during fiscal year to date. Since the City is considering an early payoff on the loan made by the MEDC to the City, this increase is not as much as might otherwise be expected. (\$1,000)

Expense

56000.C Future Downtown Development Project Recommended change to add category and begin to set aside funding to implement the future activities in downtown area development that will need to be funded by the City/MEDC. (\$200,000)

56001.8 Sales Tax Reimbursement Recommended change based on actual activity during fiscal year to date. Current activity to date is on track for approximately \$119,000 but is greater in recent months versus the earlier months of the fiscal year, so the additional funds will better absorb the increases expected between now and the rest of the fiscal year. (\$10,000)

56002.3 Events Recommended change to accommodate other changes in the budget. (-\$150)

56100.6 Southern Rum Runners Recommended change to reallocate funding from this sub-account within the Events account. This event, which was to be a craft beer and food truck festival, is delayed by the pandemic. My expectation is that we allocate funds for this event in next fiscal year’s budget for the event when it is rescheduled. I have left a modest figure in this account to keep it open when further action is needed. (-\$7,700)

56100.7 Mudbugs and Music Recommended change to reallocate unused portion of these funds from the March event by Charlie Diggs Entertainment to be available for a future request later this year. (-\$1,650)

56100.A Events – Equipment Recommended change to have funding available for a future request to expend funds later this fiscal year. I plan to make a request to the City and MEDC to split the cost of portable electronic sign boards that would be used to provide directional assistance and give guidance messages during events. This item would come back to the MEDC Board of Directors for future approval to expend the funds. (\$22,000)

56100.C Montgomery Antiques Festival Recommended change due to an additional charge coming in after the last estimate was provided to the MEDC Board of Directors. The charge was for emergency medical personnel to be available on site during the event. (\$1,600)

56100.G Montgomery Fall Festival Recommended change to allocate funds for a future request by Charlie Diggs Entertainment for an October event. The MEDC would still have to authorize the expenditure of these funds before their use. (\$9,500; \$1,650 from 56100.7 and \$7,850 new allocation)

56100.H Snow in Historic Montgomery Texas Recommended change to allocate funds towards an event in planning stages. Event would create a winter play area for children of multiple ages during same day as another Christmas event in the City. (\$20,000)

56003.C Website Recommended change to transfer funds to use with another category for improvements to the City/MEDC website to benefit travel and tourism activities. (-\$1,500)

56004.6 Consulting (Professional Services) Recommended change to receive the funds from 56003.C Website. The MEDC’s social media contractor has performed the bulk of additional website work in recent months working beyond the expected scope of her primary work. I would like to increase the payment to her by \$500 per month for the last three months of the fiscal year. (\$1,500)

56004.6 Consulting (Professional Services) Recommended change to reallocate existing funds remaining in the current category for alternative uses.

1. Ancestry.com membership for MEDC/City use. This site has historical data/documents available to only members of the site. This information is expected to be useful in future social media posts related to City history. Estimated expense for this is \$99 for the first six months of membership.
2. Using a portion of remaining consulting funds to pay for a contracted part-time consultant to perform work related to MEDC/City events. I estimate starting at \$1,500 per month to perform work related to supporting the MEDC/City events in place of City staff. The number of events on which we are engaged is growing significantly and existing City staff has other primary duties to perform. I see this as an item that could develop into a staff position or remain as a contracted position in the future. (In a related note, Category 56004.1 Admin Transfers to General Fund reimburses the City for a portion of City staff time and related office expenditures used by MEDC activities.)



City Administrator Report – June 22, 2021 City Council Meeting

The City has coordinated with the Texas Department of Emergency management to host a juvenile COVID-19 vaccination clinic that will be at the City Community Center Building on June 24th from noon to 5:00 pm. These will be conducted on a first come, first served basis. A parent or guardian must be present for those under 18 years of age to receive a vaccination.

The engineering transition is underway, with the various tasks and projects under the scope of engineering having been directed to be continued by Jones | Carter or be on a schedule to transition to WGA. Most of these items will have been transitioned by this week.

Staff is continuing to consider options for communication and procedures for potential upcoming emergencies. Included with these is being prepared for possible hurricane and heat emergency situations during the summer. There are several possible expenditure items related to emergency responses being considered which may come before Council in July.

Items for consideration on this agenda include the Interlocal Agreement between the City and Montgomery County that will allow the County to process the COVID-19 reimbursement to the City, authorizing the City Engineer to take the actions necessary to renew the TPDES Permits that are needed to operate the wastewater treatment plants, and the modifications to Chapter 64 of the City Code of Ordinances which pertains to vendors. While this Chapter identified “street festivals”, it did not establish guidelines for administering the event/street festival. It also sets a required clean up deposit, should City staff time be needed for that following the event.

The regular local meetings I have attended since the last City Administrator Report include the Planning and Zoning Commission Meeting on June 1st, the City Council Meeting on June 8th, the Chamber of Commerce monthly lunch meeting on June 11th, and the Montgomery Economic Development Corporation Meeting on June 21st. I was also involved in several internal meetings related to engineering services and other City functions. I also discussed items of interest with members of the public who contacted City Hall. Some of these meetings included the engineering transition, disaster preparation planning and coordination with other government agencies. One meeting that I would like to mention was a meeting we held with the City Attorney on working on a revised sign ordinance, so we can keep this on a timeline toward completion.

As I have mentioned previously, I am planning to take several days of vacation time coming up, as I am at the maximum limit that I can carry. My planned vacation time begins June 24, and I will return to work on July 6. I will be available to staff during most of this period if I am needed.

Please feel free to contact me directly if you have any questions about these items. I look forward to seeing each of you at the upcoming meeting. If you have specific questions on items within the reports, please feel free to contact me or the appropriate department head prior to the meeting. Also, please let me know if you will be unable to attend this City Council Meeting.

Respectfully submitted,

Richard Tramm

City Administrator



Development Report June 2021

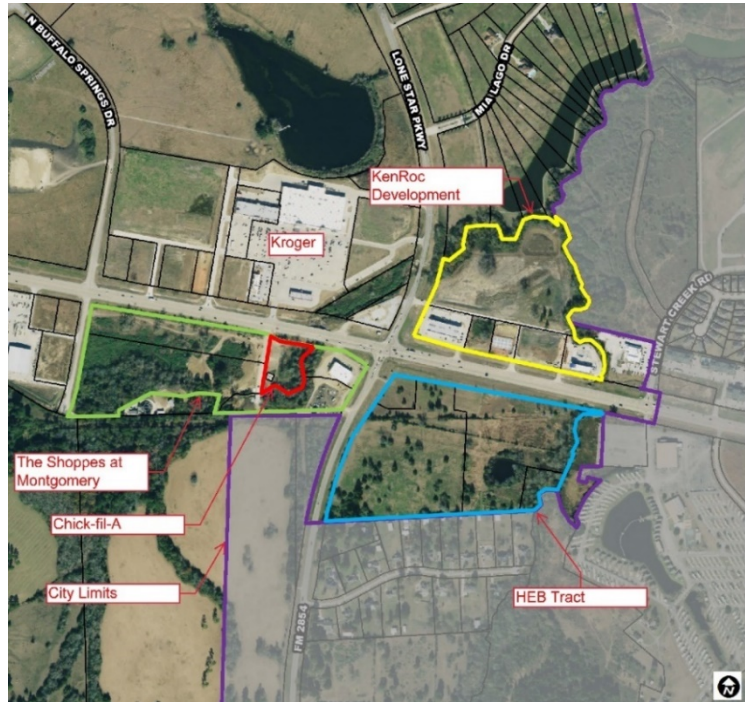
Richard Tramm, City Administrator
Dave McCorquodale, CPM, Assistant City Administrator and
Director of Planning & Development

Residential and commercial markets continue to show strong positive activity as we approach the halfway mark of 2021. Homebuilding remains active and new developments under construction are adding new residential lot inventory. Commercial construction activity continues within existing developments on the east end of the City. We continue to monitor the COVID-19 pandemic and its effects on development. Broadly speaking, short-term effects on City development appear minimal. Longer-term implications for certain market segments remain to be seen, but the City is seeing positive signs in retail sales, as well as in commercial and residential construction.

Commercial Development

East End Commercial –

Construction on the east end of Montgomery continues at a steady pace. The 26-acre Shoppes at Montgomery is active with Panda Express, a fast-casual Chinese restaurant chain, under construction. AutoZone construction is nearing completion next to McCoy's Building Supply.



Central Business District & Historic Downtown –

Samplers & Stitcin' opened last month at 305 Caroline Street and offers sewing and related items.



Residential Development

Existing homesite inventory is limited, but available, and several new residential subdivisions are under development. While uncertainty exists in the market, low mortgage interest rates coupled with a desirable community and relatively low home prices will likely keep demand for new housing strong for the immediate future.

- 23 new homes completed in 2021 (through May 31th)
- 4 new single-family home permits issued in May

Hills of Town Creek Subdivision – Near Montgomery High School on the west side of the City, this subdivision has 130 single-family homesites. Home construction is expected to start on the remaining 30 available lots this summer.

Town Creek Crossing – This addition to the Buffalo Springs Planned Development includes 199 residential homesites and eight commercial reserves. Site work is underway with homes expected to begin construction in Summer 2021.



City Development Activities

Texas Water Development Board Funding - The City is utilizing \$2.8 million in TWDB funding for water and sewer infrastructure projects that include:

- Downtown + SH105 Waterline Replacement. (Construction started in January 2021 and expected to be completed in July 2021).
- Water Plant #3 (starting work soon).
- Lift Station #1 (completed).
- Lift Station #3 Sanitary Force Main Reroute (design complete; process on hold pending final reconciling of cost for above project to determine available funding)

General Land Office Severe Flood Mitigation Grant – In 2018, the City was awarded \$2.2 million from the Texas General Land Office (GLO) for flood-related damages associated with 2016-2018 flooding events, which included the Memorial & Tax Day floods and Hurricane Harvey. A study of the Town Creek and Anders Branch watersheds on the north side of the City is now complete, and projects identified in the study will be implemented with a portion of the grant funds. The work proposed in the study is under review by the GLO and the City is requesting a timeline extension for the project completion due to the COVID-19 pandemic. The City is preparing to move forward with select portions of this grant project.

Minimum MUD Standards – During 2019 and 2020, the City considered a framework of standards for MUD's and other Special Purpose Districts in the City Limits and ETJ. As City staff explored establishing minimum MUD standards, it was realized that each situation would need to be considered according to its individual merits. This led to the creation of a set of statements/questions for the City to use in evaluating future special district creation requests. They are:

1. How does the proposed District benefit its residents? (available amenities, etc)
2. How does the proposed District benefit the broader community? (variety of housing options, possible improved commercial development)
3. How does the proposed District benefit the City? (fiscally responsible planning, collaborative relationships with developers).

Transportation & Mobility – Several projects are underway to improve mobility in the City for both vehicular traffic and pedestrians.

- FM149 turn lane: The City has been working with TxDOT on a turn lane at the intersection of SH105 & FM149 since early 2019. The turn lane will serve northbound traffic on FM149 turning eastbound on SH105. TxDOT plans to begin work on the turn lane in late September.
- TxDOT 2021 Transportation Alternatives Call for Projects: TxDOT’s bi-annual program seeks to improve pedestrian and bicycle facilities on or near TxDOT roads. The City recently submitted two sidewalk projects and has successfully passed the initial review phase. One project is a sidewalk along Martin Luther King, Jr. Drive from FM149 to the City limits, and one project is a sidewalk connecting the downtown to the public library and Memory Park on Bessie Price Owens Drive. The program provides an 80% grant for awarded projects with 20% local matching funds. Detailed applications were submitted in mid-June and projects will be awarded in October 2021.

Downtown Improvement Plan – This MEDC-funded project to improve the downtown area is an approximately 7-month project that began in November 2020. The MEDC worked with TAMU landscape architecture students on visioning for the project and has contracted with the

Gunda Corporation/White Oak Studio team to lead the design efforts. The team has completed the site analysis preliminary design phases and is working on the final design. Several of the slides from the design team’s work are included below.

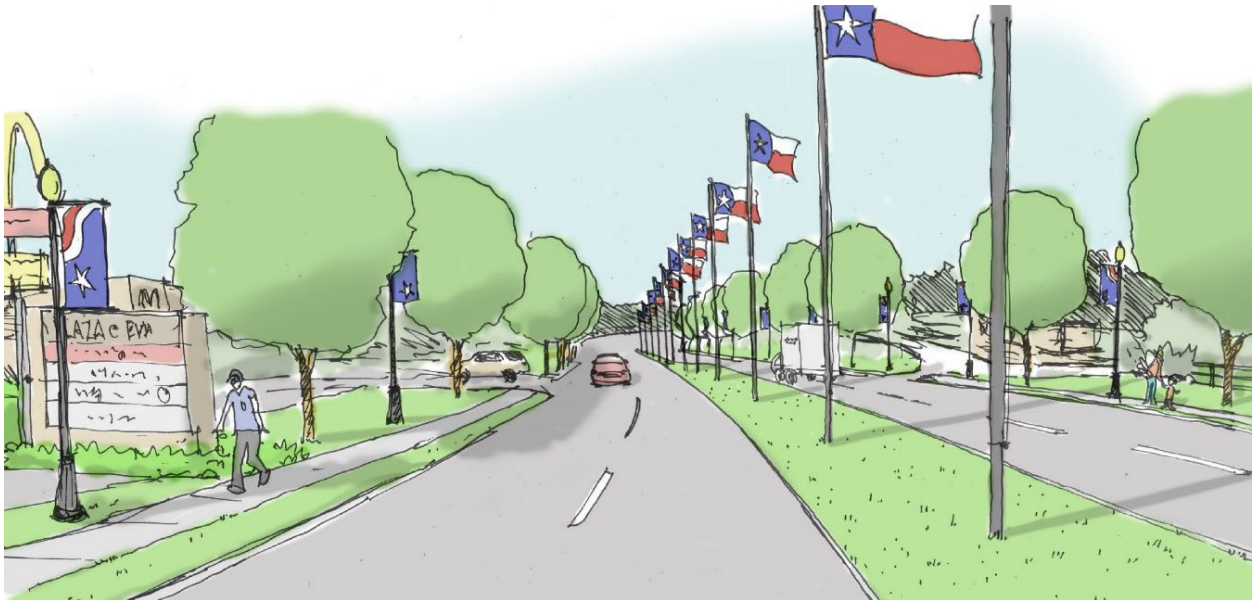
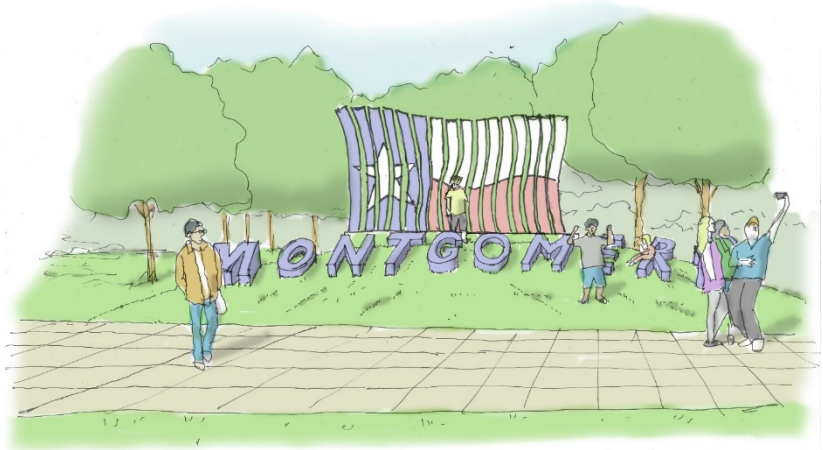


Sketch of Liberty Street



Example of Intersection and Corner Development

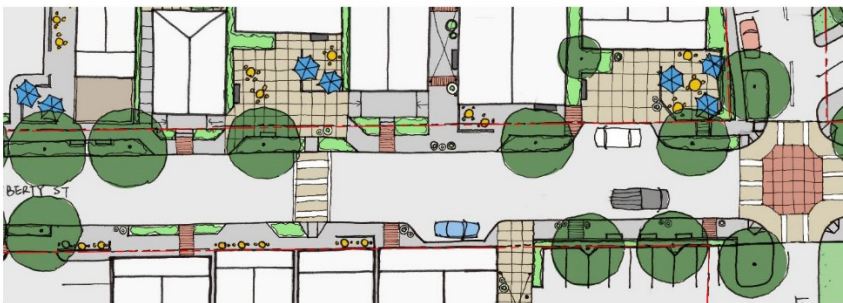
Monument Concept



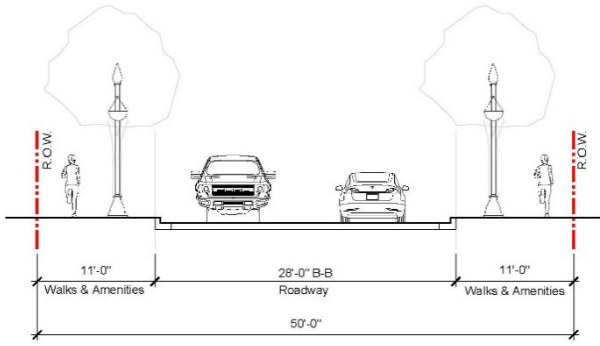
Conceptual sketch of 105/Eva Street at downtown



Downtown concept drawing

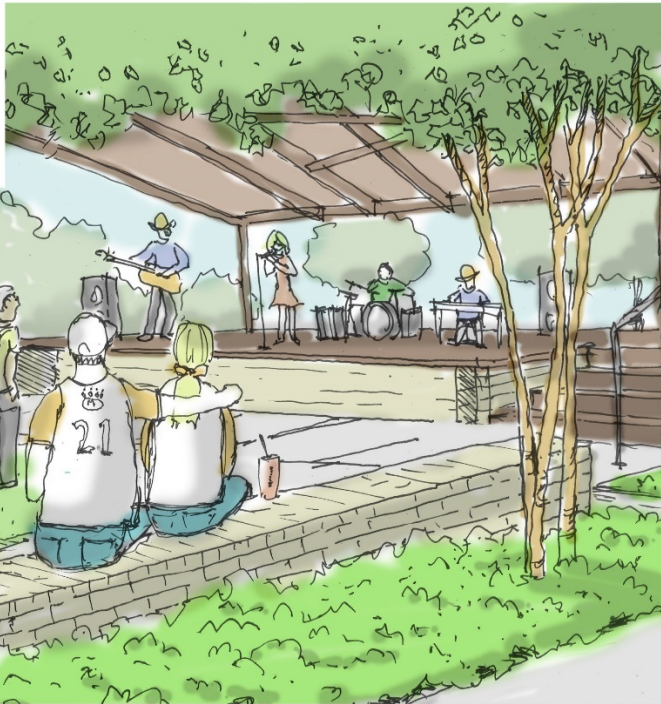


Liberty Street concept drawings





City Centre – Houston



JACOBS LOT PAVILION & FESTIVAL LAWN



MCCOWN STREET PEDESTRIAN IMPROVEMENTS

Businesses Opened in 2021

Chandler's Event Venue; 304 Caroline St

Lizzy Boutique & Salon; 308 Caroline St

Starbucks; 20219 Eva St

3D's Deli; 401 College St

Cotton & Rye Boutique; 304 John A Butler St

Samplers & Stitchin'; 305 Caroline St.





CITY OF MONTGOMERY, TEXAS

Sales and Use Tax Administration Report

May 2021

To: Honorable Mayor Sara Countryman, Montgomery City Council, City Staff

From: Sales Revenue Inc.

Re: Sales Tax Administration Report

How to Analyze this Report

Sales Revenue Inc. has undertaken numerous steps in preparation of this report; it is our sincere desire that the City Council will be able to have a full understanding of the long and short-term status of sales tax filers and receipts going forward. In order to assess the City sales tax effectiveness, Sales Revenue Inc. has undertaken the following steps:

1. SRI representatives have physically canvassed the brick-and-mortar businesses operating within the City limits. A copy of our findings is included with this report. Going forward, this list of business owners will serve as the “master list” and will be updated accordingly. Each time the master list is updated a copy of the latest audit is taken into the District and all changes discovered are notated in **RED TEXT**.
2. Each business is evaluated for taxable goods or services, and a sales tax permit has been inspected for each entity that qualifies. Additional categories have been assigned to business spaces that either do not qualify for sales tax or were vacant at the time of inspection.
3. If a business is performing a service which does not currently qualify for the local tax it is notated as **NOT TAXABLE**. Examples of such entities include: most medical services, fire and EMS, governmental services, most lending and financial institutions, religious organizations, Etc.
4. Businesses that currently perform a service that does not qualify for the local sales tax levy but could, at some point, begin to sell taxable products are notated as **SERVICE ONLY**. Entities which qualify for this category include: some hair and most nail salons, take-and-go food providers where no seating is provided, and charitable organizations.

How to Analyze this Report (Continued)

5. **NEW CONSTRUCTION** and recent **VACANCIES** notated during the canvass are listed as such within the report as well.
6. Sales Revenue Inc. has been granted access to confidential information reports that pertain to the monthly sales tax filings by individual businesses. This information serves as a basis when discovering missing payment and non-compliant sales tax receipts. These reports are used each month to provide the Top 25 annual and monthly tax payer list. Each month SRI representatives receive several data sets from the City and State, allowing real-time monitoring of sales and use tax permit creations and decommissions.
7. Graphical models are provided listing current and historical sales and use tax allocation totals, trend and variance percentages. These graphs are updated each month and are presented whenever Sales Revenue Inc. provides an updated report to City Council.
8. **Non-Compliance Report.** Every six months SRI reviews the payment detail, which is provided by the State Comptroller. An initial report is drafted by our office and provided to the State, utilizing a combination of confidential information as well as our physical canvass results. Once the State has rendered a final decision on the report it will be presented to City Council. The first non-compliant report has been presented to the State.

Per the Comptroller of Public Accounts (CPA), many times a business entity is remitting a Jurisdictions local tax correctly but is not added to the confidential reports. The CPA states that it is the responsibility of the taxing authority to request addition of omitted businesses to the confidential report. In addition to requesting a full review of any missing sales tax allocations for each business, Sales Revenue Inc. has also requested that each business would be added to all reports going forward.

The Comptroller has 44 working business days in which to provide a response to the City. Once the determination is final, a refund is issued within 30 days and remitted to the City in the following quarter.

Overview of the City of Montgomery Audit

The City of Montgomery was physically inspected in July 2020. A total of **351** entities, including vacant spaces in the retail and industrial centers, were notated. Of the entities audited, **227** provide a service or product that qualifies for the local sales tax levy, these businesses are responsible for adding to the monthly, quarterly, and annual allocations received from the State.

Each business that is inspected is reviewed for correct sales tax application as well as qualifications of goods or services for the additional sales tax levy. Each time a physical inspection is performed this list will be updated and prior inspections reflected.

Additional notations are made within the report including vacancies, business closures, and new construction. The current report reflects the following business breakdown by category:

Month and Year	July 2020	October 2019	March 2019
Total Entities	351	295	264
Sales Tax Permit Holders	227	191	176
Non Taxable Entities	52	52	48
Provide Service Only	30	22	17
Vacancies*	27	21	16
Misc.**	15	9	7

**Vacancies can include recent spaces formerly occupied by businesses that are no longer operational.*

***Miscellaneous can include game rooms, storage, lockouts, owner refusal, operational businesses that were closed, or businesses that were closed with no indicating name or signage that can identify that space.*

Sales Taxpayer Information through April

A review of the monthly reports provided by the Comptroller of Public Accounts reflects 5,231 active taxpayer accounts coded to the City of Montgomery. Many of the accounts are either E-Commerce related, or are coded as active but have not made a sale yet, and therefore are not reflected in the monthly report(s).

Total Sales Tax Payers by Month

YEAR	MONTH	SALES TAX FILERS
2020	May	1,811
2020	June	1,867
2020	July	1,866
2020	August	2,001
2020	September	1,913
2020	October	1,956
2020	November	2,076
2020	December	1,988
2021	January	1,993
2021	February	2,277
2021	March	1,965
2021	April	1,874
2021	May*	2,150

The number of taxpayers filing local taxes fluctuates throughout the year. February and quarterly filing months have traditionally reflected the highest number of sales tax payers. Represented here is a listing of each month and the number of taxpayer returns filed in the District, quarterly filing months are listed in **BOLD**.

Average number of taxpayers filing each month: 1,980
19% increase in taxpayers over May 2020

Sales Tax Allocations through May 2021

Sales tax receipts for Calendar Year 2021 total **\$1,657,846.44**

For Tax Year 2021* sales tax receipts totaled **\$961,600.85**

Reviewing the past twelve month reporting period, the City of Montgomery sales tax receipts were derived from an average of 1,980 taxpayers filing local tax returns each month with February 2021 reflecting the highest taxpayer count of 2,277.

Top 25 Sales Tax Filers - Twelve Months Combined

1	KROGER TEXAS L.P.
2	MCCOY CORPORATION
3	BROOKSHIRE BROTHERS INC.
4	THE OTHER SIDE INC.
5	VMWARE INC.
6	AZZIP ENTERPRISES INC.
7	ENTERGY TEXAS INC.
8	O'REILLY AUTO ENTERPRISES LLC
9	JIM'S HARDWARE INC.
10	ALLEYTON RESOURCE COMPANY LLC
11	TUMLINSON ELECTRIC LLC
12	MCKINNEY RESTAURANT 21141 LLC
13	SCHULTZ PET SUPPLY LLC
14	GOOGLE LLC
15	CHEWY INC.
16	HOOKER FURNITURE CORPORATION
17	NEW CINGULAR WIRELESS PCS LLC
18	ELSTER SOLUTIONS LLC
19	SKIPPER BEVERAGE COMPANY LLC
20	JEETHO BUSINESS INC.
21	KOLKHORST FOODS LLC
22	AMAZON.COM SERVICES INC MARKETPLACE
23	A & A PLANTS AND PRODUCE INC.
24	THE ECLECTIC TRADING COMPANY
25	AMAZON.COM SERVICES LLC

Combined local taxes filed: \$1,902,001.30

**Tax Year refers to the actual months when sales tax is received for the sales tax calendar year. In this case, March 2021-February 2022 make up the current annual receipts period.*

Top 25 Sales Tax Filers-May 2021

1	KROGER TEXAS L.P.
2	MCCOY CORPORATION
3	BROOKSHIRE BROTHERS INC.
4	ENERGY TEXAS INC.
5	THE OTHER SIDE INC.
6	18 SOURCING LLC
7	AZZIP ENTERPRISES INC.
8	JIM'S HARDWARE INC.
9	O'REILLY AUTO ENTERPRISES LLC
10	COBURN SUPPLY COMPANY INC.
11	MCKINNEY RESTAURANT 21141 LLC
12	THE ECLECTIC TRADING COMPANY
13	SCHULTZ PET SUPPLY LLC
14	GOOGLE LLC
15	CHEWY INC.
16	INTUIT INC.
17	ALLEYTON RESOURCE COMPANY LLC
18	AMAZON.COM SERVICES (MARKETPLACE)
19	STARBUCKS CORPORATION
20	MID-SOUTH ELECTRIC COOPERATIVE ASSOC
21	PLAYHOUSE MEDIA LLC
22	JEETHO BUSINESS INC.
23	SKIPPER BEVERAGE COMPANY LLC
24	KOLKHORST FOODS LLC
25	ADVA OPTICAL NETWORKING N. AMERICA

Combined Total Local Taxes Filed: \$273,073.74

Utilizing data provided by the Texas Comptroller of Public Accounts, this list reflects the top 25 businesses remitting the highest local tax filings within the District and represents 62% of the total combined sales tax refunds for May.

Within City's most recent sales tax allocation, sixty-five (65) businesses filed local taxes in excess of \$1,000.00. It is important to note that the taxpayer with returns over \$1,000.00 reflects 76% of the total monthly allocation, with combined filings of \$336,648.71

April | May 2021 Top 25 Taxpayer Comparison

April 2021

1	MCCOY CORPORATION
2	THE OTHER SIDE INC.
3	JIM'S HARDWARE INC.
4	AZZIP ENTERPRISES INC.
5	O'REILLY AUTO ENTERPRISES LLC
6	ALLEYTON RESOURCE COMPANY LLC
7	MCKINNEY RESTAURANT 21141 LLC
8	SCHULTZ PET SUPPLY LLC
9	INTUIT INC.
10	STARBUCKS CORPORATION
11	GOOGLE LLC
12	CROSS DEVELOPMENT/MONTGOMERY LP
13	YES GARAGE DOOR SERVICES LLC
14	CHEWY INC.
15	KOLKHORST FOODS LLC
16	SKIPPER BEVERAGE COMPANY LLC
17	JEETHO BUSINESS INC.
18	NEW CINGULAR WIRELESS PCS LLC
19	DAVID YURMAN HOLDINGS LLC
20	CHIPOTLE MEXICAN GRILL OF COLORADO
21	DE LAGE LANDEN FINANCIAL SERVICES INC.
22	BFI WASTE SERVICES OF TEXAS LP
23	AMAZON.COM SERVICES INC MARKETPLACE
24	AUTOTRUST REPAIRS LLC
25	RESTORATION HARDWARE INC.

Non-Quarterly Filer Month
Allocation: \$106,635.17

May 2021

1	KROGER TEXAS L.P.
2	MCCOY CORPORATION
3	BROOKSHIRE BROTHERS INC.
4	ENERGY TEXAS INC.
5	THE OTHER SIDE INC.
6	18 SOURCING LLC
7	AZZIP ENTERPRISES INC.
8	JIM'S HARDWARE INC.
9	O'REILLY AUTO ENTERPRISES LLC
10	COBURN SUPPLY COMPANY INC.
11	MCKINNEY RESTAURANT 21141 LLC
12	THE ECLECTIC TRADING COMPANY
13	SCHULTZ PET SUPPLY LLC
14	GOOGLE LLC
15	CHEWY INC.
16	INTUIT INC.
17	ALLEYTON RESOURCE COMPANY LLC
18	AMAZON.COM SERVICES (MARKETPLACE)
19	STARBUCKS CORPORATION
20	MID-SOUTH ELECTRIC COOPERATIVE ASSOC
21	PLAYHOUSE MEDIA LLC
22	JEETHO BUSINESS INC.
23	SKIPPER BEVERAGE COMPANY LLC
24	KOLKHORST FOODS LLC
25	ADVA OPTICAL NETWORKING N. AMERICA

Quarterly Filer Month
Allocation: \$273,073.74

Sales Tax Receipts by Business Type/Nexus Twelve Month Totals

During the past twelve months, 96% of all sales tax receipts received came from service providers that are charging the local sales tax to individuals within the City boundary, but whose physical tax office is located either out of the City limits or, in most cases, out of the State. These businesses have been reviewed and have been determined by the Comptroller of Public Accounts that they constitute a service, which qualifies for charging the local tax.

In May 2021, a total of 85 businesses filed sales tax receipts from locations that are physically located within the City, the remaining 2,065 filings came from out of District goods and service providers.



Sales Tax Receipts

The City of Montgomery, Texas has received **\$35,252,120.67** in sales tax receipts since January 1, 1995.

The May 2021 allocation to be allocated to the City totals

\$440,192.71

Top 25 Sales Tax Categories in Montgomery, Texas

1	SUPER MARKET AND GROCERY SERVICES
2	CABLE AND OTHER TV SUBSCRIPTIONS
3	SPECIALTY BUILDING MATERIALS
4	AUTOMOTIVE SUPPLY
5	HYDRO ELECTRIC POWER
6	ELECTRONIC SHOPPING
7	HARDWARE STORES
8	WIRELESS TELECOMMUNICATIONS PROVIDERS
9	SOFTWARE PUBLISHERS
10	MOBILE FOOD SERVICE
11	RENTING OFFICE SPACE M&E / F&F
12	HOSTING DATA PROCESSING
13	CONSTRUCTION MATERIALS, SAND & GRAVEL
14	SOFTWARE REPRODUCTION
15	FABRICATED STRUCTURAL MANUFACTURING
16	MAIL ORDER HOUSES
17	COMMERCIAL PRINTING
18	WIRED/WIRELESS TELECOMMUNICATIONS
19	ELECTRONIC SHOPPING
20	WHOLESALE FURNITURE DISTRIBUTION
21	WHOLESALE DISTRIBUTION
22	RADIO TV BROADCASTING
23	INTERNET PUBLICATION
24	COSMETIC AND BEAUTY SUPPLIES
25	REAL-ESTATE LEASING

This list reflects the top 25 highest categories businesses use when filing sales tax. While there are hundreds of codes under which a business may report sales tax, SRI extracts the top 25 categories with the highest dollar amount received by the City.

The date range used is May 2020 through May 2021.

Total Allocations: \$5,358,410.33

May 2021 | 2020 Comparison

Receipts of Sales Tax Were as Follows:	May 2021*	May 2020
	\$440,192.71	\$315,099.21
		<i>*40% increase</i>

Total Sales Tax Allocations Received:	2021 FYTD	2021	% of Budget
	\$2,532,095.22	\$2,900,000.00	87.31

FY 2019 Total Allocations	FY 2018 Total Allocations	FY 2017 Total Allocations	FY 2016 Total Allocations	FY 2015 Total Allocations	2014 Total Allocations
\$2,661,447.47	\$3,049,090.50	\$1,889,285.60	\$1,867,030.18	\$1,699,926.42	\$1,688,374.26
FY 2020 Total Allocations					
\$696,245.59					

Fiscal Year Date Range: October-September

Total Allocations, 2014-Present
\$17,797,134.68

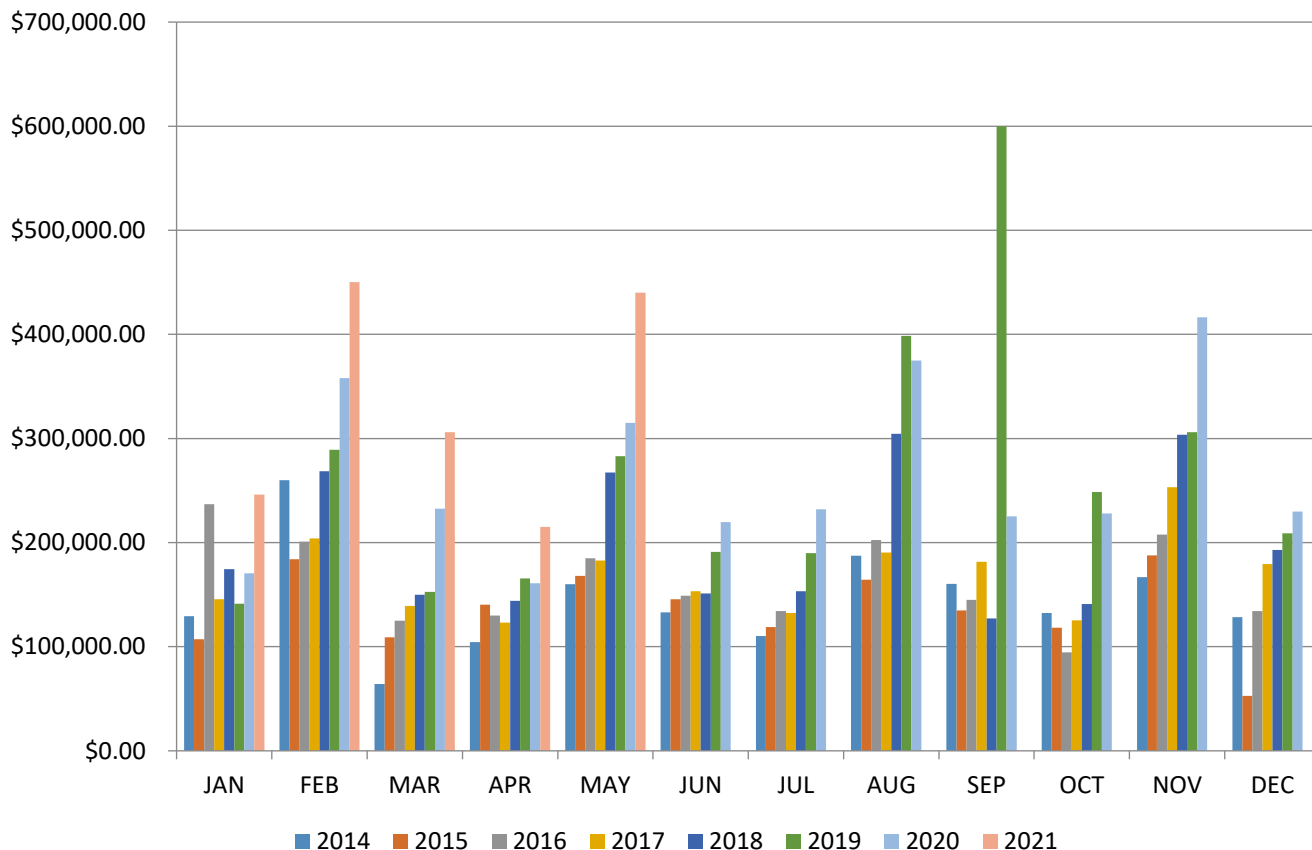
Includes recovered and corrected revenue from SRI.

Calendar Year 2021 Sales Tax Averages		Calendar Year 2020 Sales Tax Averages	
Total: \$1,657,846.44		Total: \$2,772,356.01	
Mean Allocation:	\$331,568.80	Mean Allocation:	\$251,680.22
Median Allocation:	\$306,201.00	Median Allocation:	\$229,923.02

**Tax Year (TY) refers to the actual months when sales tax is received for the sales tax calendar year. In this case, March 2021-February 2022 make up the annual receipts period. Recovery from a prior month or year may be received at any time.*

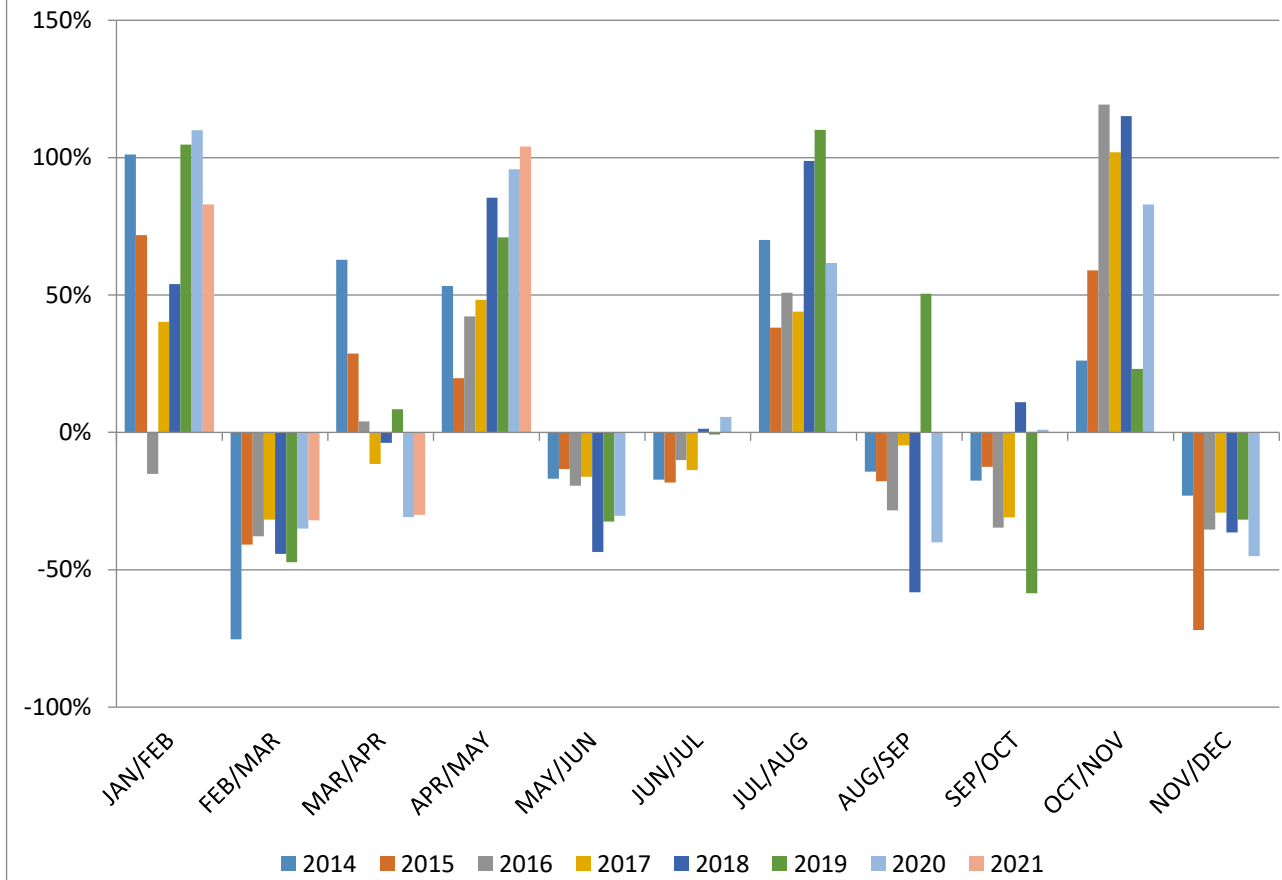
Graphical Models Follow

Monthly Allocations

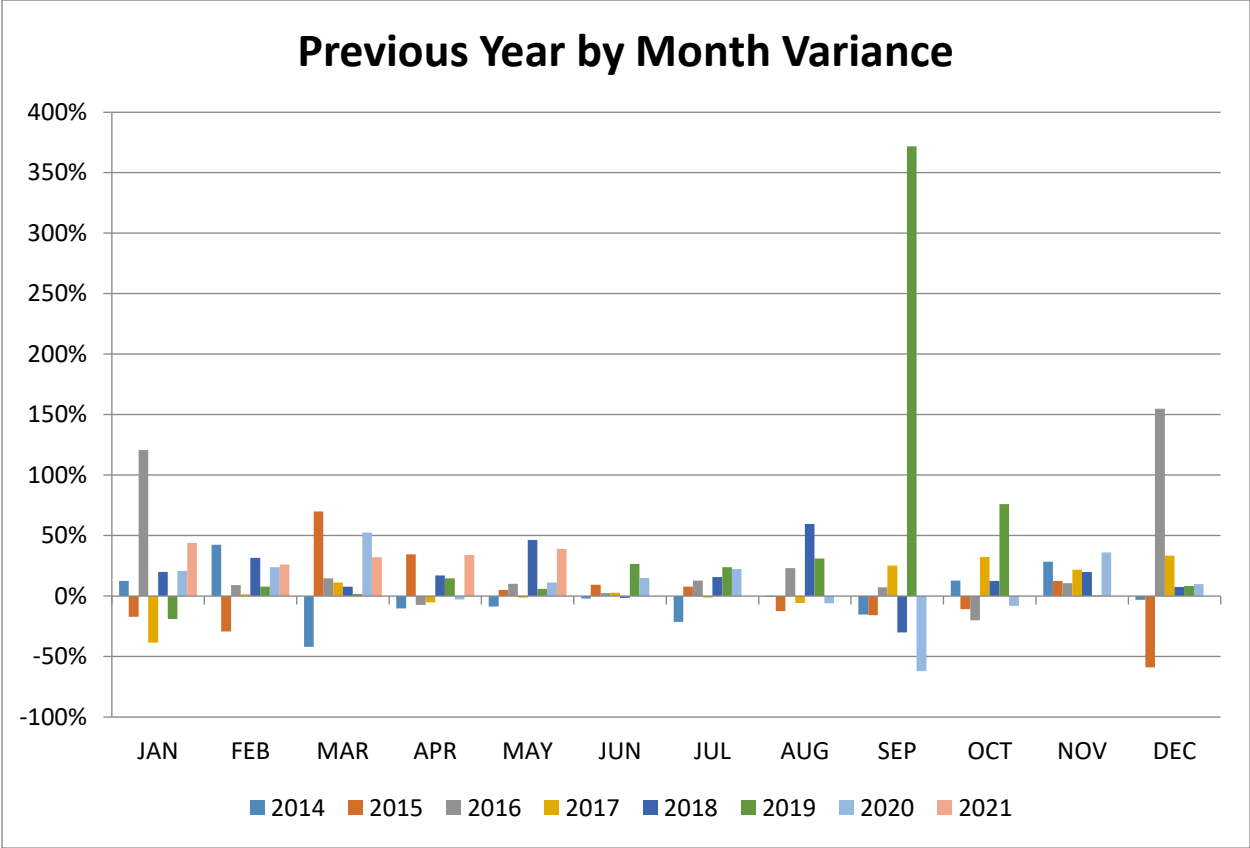


	2015	2016	2017	2018	2019	2020	2021
JAN	\$107,238.81	\$236,764.92	\$145,488.55	\$174,487.10	\$141,238.00	\$170,531.07	\$246,166.57
FEB	\$184,183.00	\$200,985.71	\$204,006.24	\$268,635.98	\$289,215.49	\$358,073.66	\$450,079.02
MAR	\$108,979.46	\$125,057.26	\$139,225.65	\$149,964.30	\$152,607.97	\$232,590.18	\$306,201.64
APR	\$140,275.54	\$130,098.69	\$123,234.01	\$144,205.61	\$165,516.81	\$160,911.79	\$215,206.50
MAY	\$168,012.24	\$184,955.47	\$182,757.15	\$267,397.74	\$283,049.52	\$315,099.96	\$440,192.71
JUN	\$145,485.26	\$149,145.60	\$153,336.53	\$151,071.81	\$191,260.13	\$219,615.98	
JUL	\$118,871.30	\$134,137.44	\$132,394.32	\$153,156.83	\$189,741.79	\$231,928.50	
AUG	\$164,234.26	\$202,380.82	\$190,648.43	\$304,422.57	\$398,641.13	\$375,019.12	
SEP	\$135,004.07	\$144,903.50	\$181,625.33	\$127,165.52	\$599,991.27	\$225,114.39	
OCT	\$118,139.09	\$94,652.13	\$125,361.52	\$141,162.59	\$248,593.82	\$227,917.54	
NOV	\$187,778.09	\$207,611.58	\$253,111.48	\$303,708.43	\$305,939.66	\$416,557.44	
DEC	\$52,683.59	\$134,305.68	\$179,308.88	\$192,957.46	\$208,806.76	\$229,773.80	

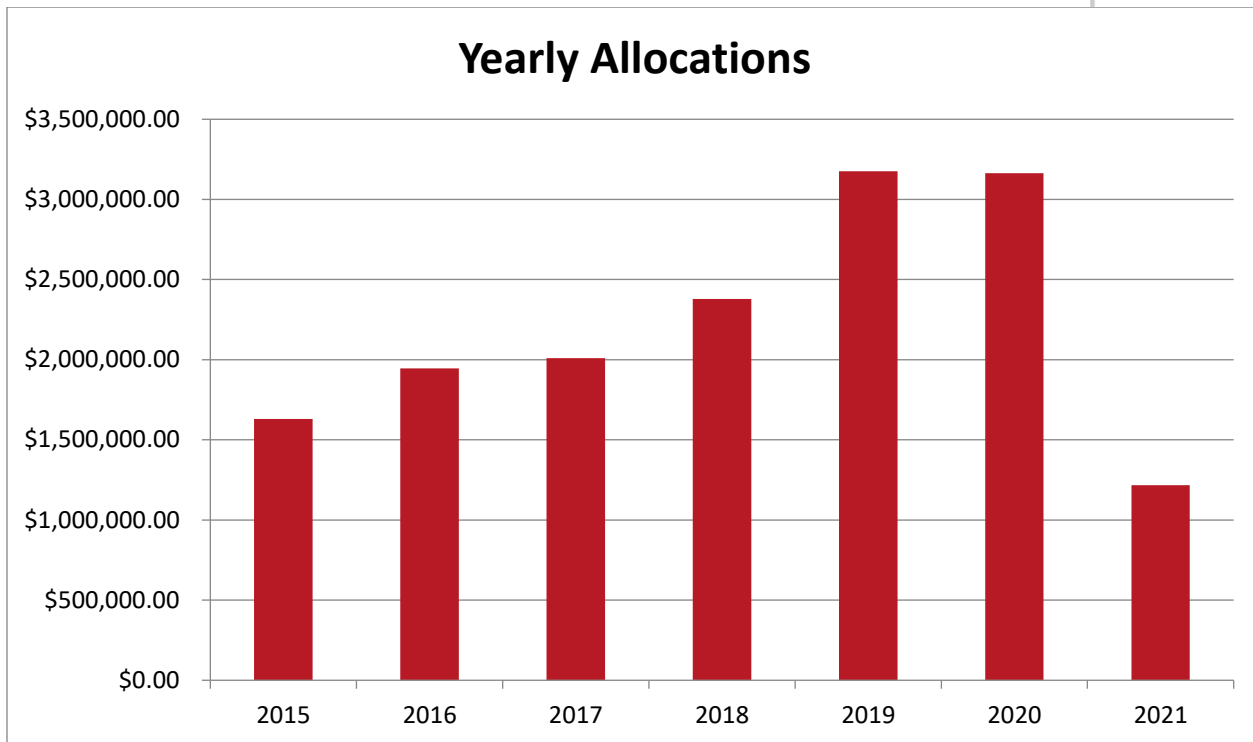
Month to Month Variance



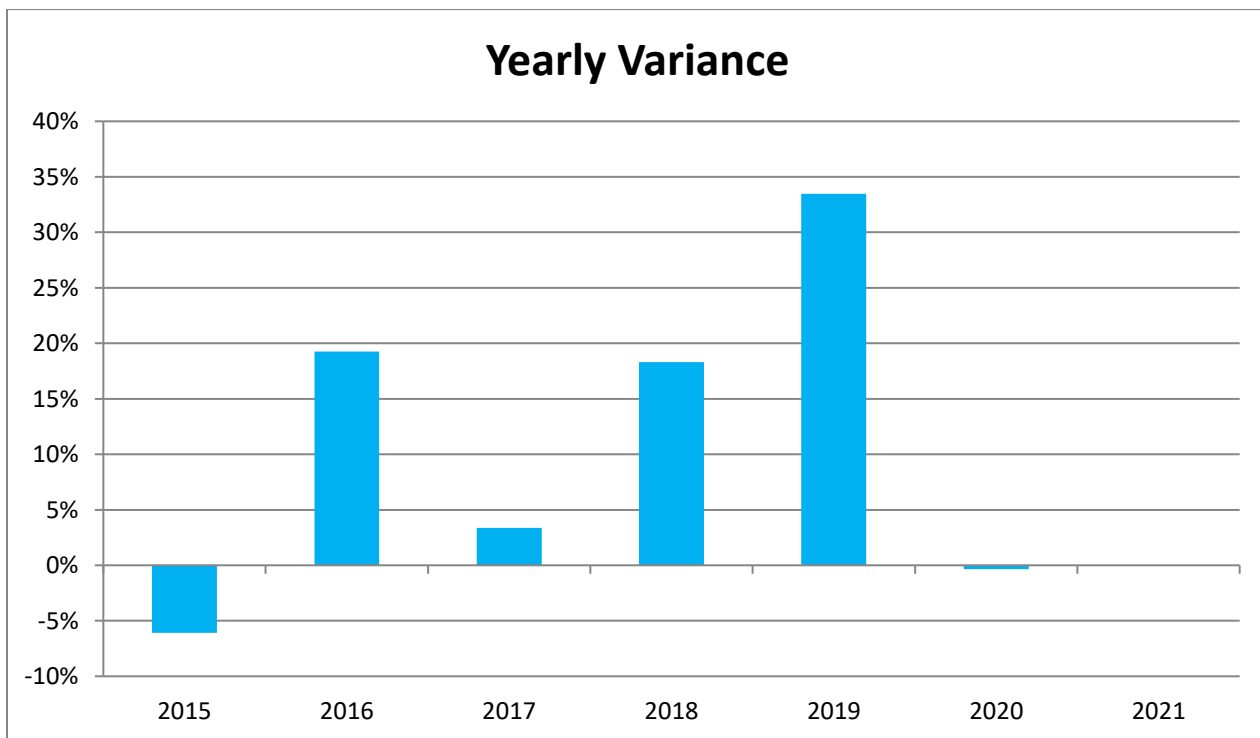
	2015	2016	2017	2018	2019	2020	2021
JAN/FEB	72%	-15%	40%	54%	105%	110%	83%
FEB/MAR	-41%	-38%	-32%	-44%	-47%	-35%	-32%
MAR/APR	29%	4%	-11%	-4%	8%	-31%	-30%
APR/MAY	20%	42%	48%	85%	71%	96%	104%
MAY/JUN	-13%	-19%	-16%	-44%	-32%	-30%	
JUN/JUL	-18%	-10%	-14%	1%	-1%	6%	
JUL/AUG	38%	51%	44%	99%	110%	62%	
AUG/SEP	-18%	-28%	-5%	-58%	51%	-40%	
SEP/OCT	-12%	-35%	-31%	11%	-59%	1%	
OCT/NOV	59%	119%	102%	115%	23%	83%	
NOV/DEC	-72%	-35%	-29%	-36%	-32%	-45%	



	2015	2016	2017	2018	2019	2020	2021
JAN	-17%	121%	-39%	20%	-19%	21%	44%
FEB	-29%	9%	2%	32%	8%	24%	26%
MAR	70%	15%	11%	8%	2%	52%	32%
APR	34%	-7%	-5%	17%	15%	-3%	34%
MAY	5%	10%	-1%	46%	6%	11%	39%
JUN	9%	3%	3%	-1%	27%	15%	
JUL	8%	13%	-1%	16%	24%	22%	
AUG	-12%	23%	-6%	60%	31%	-6%	
SEP	-16%	7%	25%	-30%	372%	-62%	
OCT	-11%	-20%	32%	13%	76%	-8%	
NOV	13%	11%	22%	20%	1%	36%	
DEC	-59%	155%	34%	8%	8%	10%	

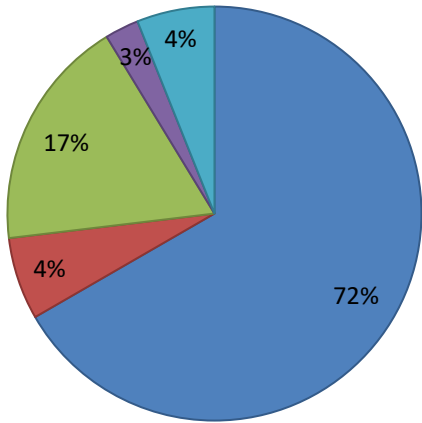


TY 2015	TY 2016	TY 2017	TY 2018	TY2019	TY2020	TY2021
\$1,630,884.71	\$1,944,998.80	\$2,010,498.09	\$2,378,335.94	\$3,174,602.35	\$3,163,133.43	\$1,657,846.44
-6%	19%	3%	18%	33%	0%	



Business Entity Breakdown

Total: 351



■ Tax ID ■ Not Charging ■ Not Taxable ■ Occupied ■ Vacant

File Sales Tax	Service Only	Not Taxable	Occupied	Vacant
227	30	52	15	27