

**Joint City Council, P&Z and MEDC Workshop
MINUTES**

January 27, 2024 at 10:00 AM

CALL TO ORDER

Mayor Byron Sanford called the meeting to order at 10:00 a.m.

Present:	Byron Sanford	Mayor
	Carol Langley	City Council Place #1
	Casey Olson	City Council Place #2
	Sara Countryman	City Council Place #3
	Cheryl Fox	City Council Place #4
	Stan Donaldson	City Council Place #5
	Wade Nelson	Board Member, MEDC
	Tom Czulewicz	Board Member, P&Z
	Bill Simpson	Board Member, P&Z

Also Present:	Gary Palmer	City Administrator
	Dave McCorquodale	Director of Planning & Development
	Shannan Reid	Executive Director, Montgomery Area Chamber of Commerce

WORKSHOP ITEM:

1. Open Discussion on Incoming Development, Zoning Ordinance Recodification Project, and Strategic Planning.

Councilmember Sara Countryman said as long as they have open communication and they get their arms around the development community in here, she thinks they have done a good job with the variance business and thinks they all concluded together they needed the variance on the lot sizes to slow down.

Councilmember Sara Countryman said knowing what is on the horizon which is two huge box stores that are going to create a lot of traffic to our area but also taxes and the 1,500 to 2,000 houses that will be coming in within the next three years.

Mayor Byron Sanford said a year or two ago Mr. McCorquodale specifically had mentioned you have R1 but our City does not have any town homes or mid to upper level duplexes other than the four there on Racetrack, and stated there are plenty of houses and in his opinion an excess of apartments when the two complexes that are in the works are finished.

Mayor Bryon Sanford asked where is the mid to upper level townhome option to downsize because that is what you get off of Lake Conroe. He said we do not have that and even within the residential there is that breakdown of these level of homes to hit that is optimal and you do not get that unless you plan a certain area in that way.

Mayor Byron Sanford said another example is when he asked staff if people were upset with the Lone Star Convenient Store. He was informed some downtown person asked why did the City allow that store to come in and heard the City leased that land, stating that the convenience store is located at Buffalo Springs and Lone Star Parkway. First, they did not know it was coming and then the rumors start happening with the City, all the residents then become upset because their valuation is going down and that is where this plan development has to happen.

Mr. Wade Nelson asked if that was part of Phillips development.

Councilmember Casey Olson said yes.

Mr. Tom Czulewicz said he does not understand how the zoning was approved to have a whole plat of residential houses and then cut out a corner for a gas station. He said you automatically devalue those houses and asked how that happened.

Councilmember Casey Olson said they gave him an agreement to do whatever he wanted. It was not that it was platted residential or platted commercial, they platted it to do what they wanted for 20 years, that was 20 years ago and there is nothing they can do about it except move forward.

Mr. Tom Czulewicz said now that it is expired do they have to resubmit to put the gas station in.

Mr. Palmer responded not if he already has plans.

Mayor Byron Sanford said that is the point he is trying to make, now is the time to strike with a plan development going forward. If it changes ownership great, if not that person needs to come in here.

Mayor Byron Sanford said when you lock in 15 and 20 year agreements even the agreement with Kroger which was a great thing for the City even though some people say we paid too high a price, but without Kroger we would be what we are good or bad and some people might say they wish it never happened. They are long agreements. He said his tendency is to say City, when you lock in the long agreements then stuff will show up in your backyard.

Mr. Wade Nelson said the point is now you do not have to do those agreements and they are coming whether you like it or not.

Councilmember Cheryl Fox said when her and John moved here in 1975 there were 200 people not houses. Things have changed in the last couple of years so she thinks now they will direct them in the right path because at one time there was not much of a path.

Ms. Shannan Reid said historically speaking when they first got here the LeFevre's published a website that had an entire description and plan layout and it was the country Montgomery version of The Woodlands. She said they intended for that grocery store and gas station to be at the corner of some housing. It was going to have a flow like The Woodlands and that was the plan all along.

Just to get some historical perspective, that was his vision for that whole place and to bring city center over there because it was in there and that was what Fernland's investment was all about.

Mayor Byron Sanford said that is a tough thing because there is Lone Star Parkway which most imagine as commercial and there is the one end of Buffalo that is considered residential.

Mr. Bill Simpson said what a lot of people do not know is the corner that goes by Ransom's which is at C.B. Stewart and Buffalo, Mr. Phillip LeFevre cut the corner out so there will be a gas station built there.

Mr. Bill Simpson said Phillip had this big idea, which was his idea, but there is very few of it that has gone through like that.

Mr. Bill Simpson said realtors are still passing out that grand thing behind his house and Tom's place.

Mr. Bill Simpson said Phillip's big plan and scheme was only for him to bring people in.

Mr. Bill Simpson said Phillip is still hiring realtors to push his narrative.

Mr. Tom Czulewicz said history is good, but we are here to talk about the future. He said he served as a registered planning director for Chester County in Pennsylvania with 99 townships under his jurisdiction. One of the things he found is as they move forward to the extent they can control codes, they must go back to 75 foot wide lots and do away with 28 foot wide streets.

He continued by stating when he resided in Myrtle Beach he lived in a 55 and over community with 28 foot wide streets and they enforced no parking on the street. However, there are always violators, he watched one day where a woman almost died because the fire truck and the ambulance could not get by because of the parked cars. He said that should not happen and they need to look after their citizens. When you approve those kind of conditions you are putting those citizens at risk for their safety.

Mr. Tom Czulewicz added with 45 foot wide lots there is not enough parking as the average family today has at least four or five cars. He said if you look at Buffalo Springs it is that way right now and that place is going to become a dump because no one is going to want to live there because it will be so infested with cars no one will be able to get by. He said right now where he lives it is the same thing, because cars are parked on both sides of the street the garbage truck cannot get through, they have to put their foot down and say no they are not going to have 45 foot wide lots and they are not going to have 28 foot wide streets.

Mr. Tom Czulewicz said he knows they have a specific line which the City cannot go beyond that, you have to look at the future and say where is that point, what do they do to maintain the ability to support infrastructure, that is going to be critical.

There is water and sewer, how is that going to be and what is their water supply, they will have to get a water tank, you have to look at the citizens. The same thing goes with the gas station on the corner. He said you want people to come into the city and buy property, a house, and have the revenue income from taxes, you better not allow those kind of things to happen.

Mayor Byron Sanford said working off what you are saying, there is a consensus among them to take a stand and they are kind of right there wanting to go that way so for staff, what can they do to take a stand. He knows it may have been controversial with Conroe with the size of the lot, but it is there and what can they do staff wise to say we have this policy so if you are going to come in asking for these variances do not waste our time so they can use their time with things they need.

Mayor Byron Sanford stated they are there and councilmember Casey Olson made a strong point and he reinforced it, that if they tip that balance, and again they are here for the future so they have many of those issues right here on the ground floor and that is why they need to continue to make this known to the staff that this is the direction they want to go. There are some other homes they have not heard about. Lone Star gated community coming, there will be custom homes, there is Red-Bird and they have already addressed some of that, but probably 800 or so plus his neighborhood that is being added to are in that mode and they cannot undo that.

Mayor Byron Sanford added he would ask staff what can they do to take that next step and then everyone does not have to sit through a two hour presentation for something that is not going to pass.

Mr. Wade Nelson said to that point you are going to have zoning and enforcement but you need to look at the bigger picture. When you encourage the right developer and say no to those you know exactly what they are going to do that are going to come in, break it down and leave. Those that have shown they have a track record you encourage and partner with those people and ask what can they do to help them, not we have a red flagging for that just because they are easier to pick on than Home Depot. They will do whatever they want to do and the City is going to fold.

Mr. Wade Nelson stated there was some resistance, but personally as a developer you will not see another developer say do whatever you can do to kill this Home Depot deal. He said he was a broker on the deal trying to kill it, but he cannot tell a land owner he cannot sell to Home Depot, but he can tell the City behind the scenes let them do this and try and encourage them to do something different. For them to make the argument they cannot afford it is not true, they can afford it and they would have come here whether they were told about landscaping or trees, but they continued to say they cannot do it because it is not cost effective.

Regardless, they have already done it but the point is now that Home Depot is coming, HEB is probably not that far away.

Mr. Wade Nelson said the land that is now not part of the development agreement that Mr. Phillip Lefevre owns, he will settle it. He is not going to sit on it and continue to pay taxes. He may even sell it for cheaper than what he expected.

Mr. Wade Nelson said that is going to attract more big box and if they do not get on the same team and encourage the right development they are going to get another orange warehouse with a big concrete parking lot.

Ms. Shannan Reid asked inside the city limits if the appetite is primarily focused on residential and then you address whatever commercial comes the city's way, not seeking it out, or is there any appetite for primary jobs to be located inside the city limits taking up some of that land or is the City just anticipating they will go outside the city for primary jobs.

Councilmember Casey Olson said they have talked about that several times regarding how you get commercial industry that brings in a job level that can afford to live here. He said that is extremely hard to do. He stated that he makes a really good living and he can afford to live here but he cannot afford to buy a million dollar house in Red-Bird and he probably has one of the best incomes in this town. He continued by stating how do you get that kind of income into Montgomery when they are off the interstate, and out of any energy corridors. He said the odds are slim to none.

Councilmember Sara Countryman said that is why they live here because they are willing to drive.

Mr. Tom Czulewicz said maybe they should look at making Montgomery a bedroom community so that people will want to come here to live, go to restaurants and things like that. Most manufacturing jobs pay is not going to afford most people to be able to buy a home in Montgomery.

Councilmember Casey Olson said that is the point they have discussed. He said they have plenty of small homes and even if they are small homes, they are not very affordable. He said an 1,800

square foot home that is \$300,000 is not affordable. He said because of where they are, and because of the incomes that do already live here, they are not going to be able to have all these cheap houses. He said it will never be that way because their property values are too high, the utilities are too high, and the cost of living to live in Montgomery is too high.

Councilmember Casey Olson said they have to cater to the people that can afford to live here. He said they do not want to live in tiny little neighborhoods smashed on top of each other, they want to live in estates with half and quarter acres where neighbors cannot throw footballs between the windows.

Councilmember Sara Countryman said my neighbor will not be the stacker at HEB or the person at Dollar General. She said that just will not happen.

Councilmember Casey Olson said it is unfortunate but it is the truth.

Ms. Shannan Reid said she agrees with everything being said but she wants to share the business information that she has and that she listens to everyday so you can digest what they are experiencing. They have businesses going out of business at a high rate because they do not have work week, work day traffic here to keep the entire seven days a week sustainable. She said if people are driving an hour to work they are going to spend money on the way home rather than here. She stated Covid-19 was actually a blessing in disguise to Montgomery because no one out there wanted us to come anywhere so they spent money here, but now that they are back to driving their hour away they are not spending money here. Meanwhile, all of these no skilled labor job entry level workforce amenities are coming in like the fast foods and car washes and they are slicing more and more of the same piece of pie for now with the anticipation of 8,000 more homes.

Ms. Shannan Reid said the challenge of getting entry level workforce is they cannot live here but they are going to pass five jobs leading to Montgomery that they could take closer to home and those people may have unreliable transportation. The kids here do not necessarily have to work because their parents can afford to invest them in every after school activity and sports. She said that is wonderful and they love all of that but they are not the ones holding up the workforce. They are missing the 20-something category if you look at the demographics. They cannot afford to live here because they do not have the level of being able to afford it.

Councilmember Casey Olson said that is the thing. He said the way their base is set up with their utilities and taxes they will never be able to live here. It is impossible unless they completely fundamentally change the way their utilities are. When a water bill is \$200, he does not care who you are. That is a high price. There is no way to fix that and they cannot snap their fingers to change it.

Councilmember Sara Countryman said they could live on the other side of Pizza Shack and come into Montgomery or outside Lone Star Parkway and Dobbin and come here and work.

Mr. Tom Czulewicz said he does not believe this city is set up for tourism. He said they should have flyers at each entry into the State advertising the Historic District. He said they should have a street from Liberty over going west that should be lined with Texas flags as the City is the birthplace of the Texas flag. He said they just celebrated the 285th anniversary of the birth of the flag. He added if they cannot do anything else and they all agree and are absolutely right about the cost of living, let them bring in the people that do not have to live here and have them come in here and spend their money and let them know that it is here. They do not know. He has traveled in and out of the State many times and has never seen any kind of a flyer that advertises Montgomery as the birthplace of the Texas flag. He said they should advertise that flag.

Councilmember Sara Countryman said she was mayor for four years and that was one of her biggest pushes and why there is the big flag at Spirit of Texas Bank. She said there was a whole rendering of Texas flags lining SH 105 and that is why you see the flags painted around town. She said they also have to have City Hall and everyone doing their job to do that, it cannot just be one person.

Mayor Byron Sanford said the bottom line is money and you have to bring the money in. He said they have this finite budget with finite opportunities because you basically have a plan development going out, a Lone Star loop that he has been very vocal about with the County, but the history is what it is with the County. What he has done was get the HGAC for the first time to have Councilmember Sara Countryman be nominated to the HGAC board. He asked Mr. McCorquodale if they have ever had anyone on the board representing the City. Mr. McCorquodale responded not that he knows of.

Mayor Byron Sanford said he cannot promise, but if she gets on the HGAC board which has a pool of money for various things including workforce solutions, everything under the sun is run through that institution. He said we must have representation and it cannot be part-time.

Mayor Byron Sanford said if Councilmember Sara Countryman fills that role along with the EDC person, that is the person who is full-time tourism because economic development is that and they are trying to get an economic base and find a right mix within a finite area but are restricted on the west side by Dobbin Plantersville water.

Mayor Byron Sanford said he knows the school district needs something on the west side. He said they do not have a junior high. If the school occupies that there are jobs.

He has put a vision out for a medical district on the west side because there is not any and has put it out to Mr. Luttrell and everyone else to please lobby for a medical district. Those are the people who buy million dollar homes and the custom homes coming to Lone Star and gated communities. It makes sense to him to have one as he is tired of driving 45 minutes on a 26 mile run to Shenandoah.

Mayor Byron Sanford asked where is the age population. He said again downsizing from Lake Conroe, downsizing from The Woodlands, and coming in from California, that is the demographics of where they are at and where the City is going.

Mayor Byron Sanford said all of them are making their points but said it has to be a base of money.

Mayor Byron Sanford said Councilmember Stan Donaldson will be the backup to Councilmember Sara Countryman for the HGAC board.

Mayor Byron Sanford said also, who is going to be inclined to build if you have a Lone Star that looks like the back alley. He said he has been lobbying and now there is a transportation committee set up with Councilmember Sara Countryman and Councilmember Stan Donaldson and someone who works at Conroe with the Conroe engineers.

Mayor Byron Sanford said next Friday they have a big meeting with our engineers and TxDOT. He said the whole City is defined as two TxDOT roads and getting TxDOT on board is like pulling teeth but they brought TxDOT in with the Home Depot deal and are staying on top of it.

Mayor Byron Sanford said they are getting a light at Buffalo Springs Drive and Lone Star Parkway to save \$250,000 they had allotted but found out TxDOT prices are higher than County prices. With all these dynamics going on they know where their limitation are.

Mayor Byron Sanford said he is a little disappointed, but they do see an expansion on the south end. He said Councilmember Sara Countryman has been big about promoting the south loop so where is the path on the south loop. He said to his knowledge none of that is economically developed as it is still residential and there is a lot of residential that is crushing them in. They have to accept the things they cannot change and be given the grace to move forward but being on the same page sure helps. He said perhaps maybe five, 10, 15 years ago they should have been on this but they were not.

Mayor Byron Sanford said Councilmember Carol Langley was the only paid person on staff 10 years ago. He said this staff has gone like this and that because they cannot keep up with the growth and that is why they are growing out of their own building and have been for a couple of years, stating we have this finite pool trying to bring in some money and trying to deal with TxDOT. He said we are foundationally there but need to stay on the same page and drum up the resources because that is what it is, bringing resources in and bringing the people in who have the jobs.

He cautioned that it cannot stay in one spot. He said we all talk with developers and tell them to go forward and make it happen, but that is what they are waiting on. While we are waiting, we are going to get ahead of this growth as best we can and try to maximize the economic return because right now we have all the residents we need in his opinion coming on the charts for the next five years.

Mayor Byron Sanford said bringing in the jobs is easier said than done. He said they are working with a school district that has to be zealous and they are going to buy some of our land and already have which is good, but that brings buses and traffic and if they do that on the Lone Star loop he has the same concerns. How will they develop on a two-lane road with no shoulders. He said it is tough but at least they have things in motion going forward.

Mr. Tom Czulewicz said three months ago he googled grants available for historic districts. He said there are literally hundreds of grants available for historic districts but the thing that really disturbed him was there was a Texas State site for grants for historic districts that requires you to be registered and certified and Montgomery is not on that list. He said there are 50 plus other cities throughout the State that are on that list and Montgomery cannot get a grant because we have not listed ourselves and get certified to be able to receive grants. He said there is a site for a historic district branch that goes to \$100,000 in grants.

Mr. Tom Czulewicz said he understands in order to make things happen you need to have some money and that is one money source to tap into the tourism aspect in order to enhance this whole tourism thing to bring tourists in. He said we can do that without having to spend a whole lot of the City's money but you have to have a project first before you can get the grant.

Councilmember Casey Olson said his problem with grants is that \$100,000 will not remodel a house and will not pay one quarter of a stop light. He said \$100,000 is a waste of time so how much effort will you put in to get \$100,000. If you are going to put effort into something, put it into something that is going to continually pay you. He knows a lot of people are upset about Home Depot but \$1,000,000 a year paves a lot of streets.

Councilmember Casey Olson said \$100,000 is a one-time pop and how much effort and hours do they have to put into to get \$100,000.

Councilmember Sara Countryman said \$30,000 to a grant writer.

Councilmember Casey Olson said exactly.

Mr. Tom Czulewicz said if you get grants you are boot strapping yourself up. He said you bring the tourism in and the increased tourism takes care of the future.

Councilmember Casey Olson said he is all for tourism but they have huge neighborhoods all the way around us that if we bring the commercial activity here, they do not have to bring anyone else. They will come here instead of driving 15 miles the other way.

Councilmember Sara Countryman said tourism is here.

Councilmember Casey Olson said they do not have to spend tons of money to bring out of states to Montgomery. He said we have 100,000 people roughly within five miles of us and they just have to get commercial here so they will come here.

Mayor Byron Sanford said the grant writing has been proposed to him through HGAC because you cannot afford a grant writer and the biggest grant they have had in the City took five and six years and he is still getting leftover stuff from the GLO. It is cumbersome, but to share the cost of a grant writer between three and four cities makes sense to him. He said he proposed that and is proposing it now as an idea for the staff to look into.

Mayor Byron Sanford said the only options that are there are grants which he agrees they have all the red tape and staff and the engineers have told them over and over how much red tape it is and how much you lose control over something because you went with the grant. He said the HGAC said what they have is low interest bonds such as what they just received to get them going on water and infrastructure, \$3.5 million to get them going down the road. He said that seems to be the only thing that is really there. They are not really looking at grants as much in his opinion as they are low interest bonds and you have to count incrementally to see what your needs are.

Mayor Byron Sanford said his biggest push has been tourism. For the downtown revitalization they started on City Council three years ago, that was \$1.1 million and now the proposal is \$3.5 million stretching out to Jacobs property. He said when he saw that unfold there was no buy into it first of all. He said we kind of lost the commitment to that and lost their courage on it because the water needs superseded the downtown revitalization.

Mayor Byron Sanford added you have an owner here at the steakhouse along with the adjacent owner of Perfect Blend who said they spent \$5,000 to upgrade their parking lot. He said there is \$20,000 in the EDC that is marked for those types of grants and that is the only thoroughfare from one street of McCown to the other. He said he thinks they need through the EDC to help him with that part of the parking lot they all go through because one of their grand plans that is downtown is cooperation. Let EDC help out with some of those funds or all of it if they can.

Mayor Byron Sanford said the owner needs to do the backside of it himself with propane and a deck, but that is a pastor so let us reward him for the pastoring and not reward someone who puts a chain up on the parking lot and we have not seen anyone use it. We should reward the good behavior. Part of the EDC strategy is to start revitalization a little bit at a time the best they can through EDC right now. He said that big thing that he really wished would have happen three years ago was when he first ran was this is a great plan and asked where is the money. Incrementally and exponentially, it is water and sewer to keep up with the homes.

Councilmember Cheryl Fox asked Councilmember Casey Olson if there was any discussion with Home Depot regarding employees that were being considered that are residents of the City.

Councilmember Casey Olson said they wanted a clause that said they had to hire a certain percentage from the Montgomery area.

Councilmember Sara Countryman said they talked about 20 percent but they could not guarantee that.

Councilmember Casey Olson said legally they could not force them but it was highly suggested. There are going to be a lot of jobs that are \$15-18 an hour so those people have to come in. He said there are other jobs such as management jobs that pay better and those are the jobs he really wanted to be pulled from Montgomery, but those corporations bring in someone who has been doing it at some other store and that is what they do. He said there are 150 to 170 jobs.

Mr. Larry Jacobs said there is one thing he would like to mention and that is TxDOT and downtown. He said he has had to defer his position on that to the retailers that are affected by parking. Someone else was talking about the history of downtown. He said he sits in his office at least five days a week looking out his window looking at his parking lot and every Monday he sees 20 or 30 cars pull in there during the day, they walk down the street, walk back to their cars and leave. He said expanding the Historic District on the retail side of it is what is going to make downtown improved and get better.

The rezoned lot on Clepper Street behind Cheatham's took a long time and they got a special use permit. He said all the economics of that project changed within six months. It still would be viable but does not fit his financial portfolio within the City's zone. It looks to him like the owner of the steakhouse and over to Prairie Street where the City owns property there is a corridor that comes back and connects into his property and thinks the owners along there would be open to rezoning. He thinks there is an opportunity for Council and the Zoning Commission to think about that and about extending the whole area up there and thinks if it was there people would come to downtown.

Mr. Larry Jacobs concluded by stating he has offered his parking lot to the City for parking and special events and he is open to ideas. He would like to see it rezoned because he does not think the special use permit is practical for him and another office building may be in the cards for him.

Mayor Byron Sanford asked Mr. Wade Nelson to what degree are some of his concerns of staying within those two streets with a tax increment reinvestment zone.

Mr. Wade Nelson said you have to start creating public and private partnerships. He said there is a lot of history here with people being offended or feelings hurt by some local developer but unfortunately, those people control this whole city. He has been here long enough to see it happen and cannot put his thumb on it whether it is jealousy or egos, but whatever it takes to roadblock these people to keep them from doing good things and they have a history of doing really good things and you should have your arm around that guy.

Mr. Wade Nelson said his point about Home Depot is not that they should not come, but that they should apply the same pressure to them that they do to the guy they kick every day. If they cannot get beyond this history of someone did me wrong or I do not like that guy, we will be in the same position because unfortunately Mr. Chris Cheatham owns three quarters of the town. If they get offended because he may cut a corner here or there they need to get over it. Mr. Cheatham does quality stuff and no one else is coming in to do it. Mr. Wade Nelson said he is here to do good things and wants to do a lot of good things.

Mr. Wade Nelson said the property Larry has, we all know the City is in dire need of parking and they should be partnering up with land owners to find some way to either do surface parking or use grant money and charge money for a parking garage.

Mayor Byron Sanford said his recommendation has been somewhat similar to this to get representation from the two councils with 10 to 15 people on a board that makes these decisions.

Mr. Wade Nelson said a prime example is Mr. Tom Cox. He is brand new to the community and purchased the building on FM 149 south by the railroad to move his corporate headquarters here from The Woodlands. He refurbished the house on Caroline Street across from Cozy Grape and he has a bad taste in his mouth after going through the process. Instead of picking one little thing that maybe did not go right, look at the bigger picture of what it looks like now and it is amazing. Instead of kicking him say look, let us partner together and figure it out. Some of these things you thought you should do on your own, we want to be involved with and we need to know about those things. Tell him he is doing a great job. Mr. Wade Nelson said he does not think Mr. Cox has ever heard how good of a project that is.

Mayor Byron Sanford said if you are going to have rules and ordinances you have to enforce them. The town evolved from a handshake to now we are into where other people are coming in and you need to make sure one person is treated the same way as the other person. To be fair they need to do that and Planning & Zoning and EDC need direction and to receive that consistently. They need to be fair and legal.

Mr. Bill Simpson said he thinks what Mr. Cox has done is beautiful now but the way it was handled was not good. He understands what he was trying to do but he feels he should have had more control of his contractor because the bad taste came because of the contractor.

Councilmember Casey Olson said honestly he should feel like he had his hand slapped because of exactly what he did and the end should not justify the means. How he did it was not right, but what it looks like is fantastic. How he went about doing it was bad.

Councilmember Sara Countryman said there is Mr. Cheatham in town who gets away with a lot, but he does beautiful work. If we hold one accountable, we need to hold all accountable.

Mr. Wade Nelson agreed and said but what we have now is not enforceable and people see that.

Councilmember Cheryl Fox said Mr. Chris Cheatham is one of them who says the city is totally against me.

Councilmember Casey Olson said we are not against him. That is the way to do business.

Mr. Wade Nelson said there are those who want to do things but feel like they cannot and yes, maybe it is because they went about it the wrong way.

Mr. Bill Simpson said if the turf situation would have been approached in a professional manner it would have been different. He said he works in the industry and if he does not follow specifications or the consultant and it is not done right he does not get to receive variances, he has to take it back out and redo it per specifications. He said he likes Mr. Chris Cheatham and he does great work, but when Mr. Cheatham says that he is building something he does not ever remember having to asking him what exactly the materials are because he gives you what you are going to get.

Mr. Wade Nelson said he agrees and those are the people you need to encourage. Mr. Chris Cheatham controls the entire town and if we want to create a downtown he is the guy we should be partnering with.

Mayor Byron Sanford said when he was about to officially run for mayor he went to Mr. Chris Cheatham's office and set up a meeting and asked him what he thought about a tax increment reinvestment zone. Mr. Cheatham said he was all for it. He said that solves a lot of issues because when you incentivize the developers and get them in touch and incentivize them to make the money he believes that is the direction to go. He understands the position Planning & Zoning, EDC, and Council get put into of were the I's dotted, T's crossed, and things done well. If he is willing to come on board with the tours and done well and with the structure they are trying to set up, and we are willing to bend, if they can pull all of that together, he thinks they can overcome some of the challenges they have had particularly in the important Historic District zone.

Mr. Wade Nelson said the outside opinion including the State level and the County level is the City does not want to work with anyone. Mayor Byron Sanford said he was told it goes back to 2002.

Mr. Bill Simpson said the ordinances are wide open. He said sitting on Planning & Zoning he is supposed to think what everyone in town wants and if you make the wrong decision you end up getting phone calls and stopped on the street.

Councilmember Cheryl Fox said there are things she hears about downtown from people that live outside the City and that is there is not anything cohesive about hours with the retail folks. She said she is not sure how you would ever address that to say okay you need to open your shop at 10 a.m. everyday. She asked how would you go about getting them all cohesive with their hours.

Councilmember Sara Countryman said that is the charm of the town. There is usually a proprietor behind the desk checking you out or waiting on you. You cannot work there seven days a week without help. The money has to come for them in order to be able to hire more people to serve.

Mr. Bill Simpson said his main concern with being a citizen is the city services. He said with all the traffic on SH 105 he would like to know what a standard police officer to resident traffic is. He said these guys are strapped. He knows the water and sewer are separate but how is the budget for the police department with 20,000 plus cars passing through a day.

Councilmember Casey Olson said the last two times they discussed it, they are actually way above average as far as the number of policemen per capita. Even with the traffic at 20,000 cars per day they are still above average. He said he has had this conversation with the Chief many times about do they have enough police officers because that is a huge part of their budget. He said their budget is not a big budget but when 45 percent of it is your police force that is a big chunk.

Councilmember Casey Olson said any time you add another police officer that is not always \$50,000 per salary, it is \$100,000 to \$120,000 by the time you are done with training. That cost never goes away unless you want to lay people off and that is not something he likes to do. We must make sure to have the operating expenses under control so the long term overhead expense does not grow out of control. If they get an economic downturn and everyone stops spending money Montgomery has nothing but sales tax, they have property taxes but if you do the math on property taxes, it is almost a net zero because by the time you do all the upkeep it is a break even.

Councilmember Casey Olson said bringing in houses to make money is not an option. It does not make you anything. He said consider two small houses versus one big house. With two small three bedroom houses will hold four to five people to live in. When you have two of them on the same lot as one big house, now you have to have infrastructure for 10 people and you are still basically only getting the same property taxes as one big house for five people.

Mr. Bill Simpson said the City of Montgomery has no amenities for its residents. He said there is the park but that is for little kids. If he wants to take his grandkids to a park to play baseball there is no place to take them. They need a city park but he knows it is not in the budget. He said his main concerns are the city services and amenities for the citizens of Montgomery. Someone added a lot of small cities use their high school's athletic fields.

Councilmember Casey Olson said when you start dealing with MISD the liability they would have to sign up for would eat them for lunch and added their school district is not easy to deal with.

Mr. Wade Nelson said regarding the one development he and Mr. McCorquodale discussed on SH 105 and Westway, that developer in particular was talking about the City at one time had a plan to connect streets with trails and that developer has said they were willing to contribute towards that and that becomes a public area from SH 105 to Lone Star Parkway.

Councilmember Sara Countryman said almost like Walden.

Mr. Wade Nelson said in a way yes.

Councilmember Sara Countryman said it is like a greenbelt and Red-Bird has a greenbelt.

Mr. Wade Nelson said those are the people you encourage. They are building higher end homes. His point is getting with those developers, teaming up with them and telling them what you would like to see. These are the people you can give variances to. They want to encourage the higher end product because those guys have discretionary income that will spend money in town.

Mr. Larry Jacobs said Mr. Martin Simonton was a visionary for Town Creek and he got the County to pave a walkway underneath the bridge at Lone Star Parkway and connect it into a trail system. He said that is part of the trend the developer started.

Mr. Wade Nelson said The Woodlands just got one approved for another six miles and it is paid for by the State. He said they are contributing the land but are not paying for it and it does create an amenity for the community.

Councilmember Cheryl Fox said it is like a utility easement that is actually a greenbelt.

Mr. Larry Jacobs said there was a show he was watching last night where in New York City there was an abandoned overhead railroad through downtown New York and they passed a \$50 million bond issued to tear it down and turn it into an overhead walkway.

Mr. Wade Nelson asked if the City has ever explored bonds.

Mayor Byron Sanford said they talked about it. The County was supposed to have done that to help the entire County, but yes bonds are a possibility.

Mayor Byron Sanford said right now they chose to go low interest, staying fiscally sound, and being conservative in every way they possibly can hoping for the better economy and how November goes.

Mr. Wade Nelson said none of it gets done unless you work with the private owners.

Mayor Byron Sanford asked Mr. Palmer if he had anything he wants to speak to and then he wants to get to next steps.

Mr. Palmer said he presented the planning commission and spoke to individual councilmembers about this. He said in coming out of the strategic planning process over the summer with council, the priority was to do a rezoning codification of small area master plans and future land use map and planning. He said they packaged everything into a request for qualifications from all five firms and received two. He said one was called Master Plan out of Texas, but they needed someone who was geared more toward doing recodification and zoning overhauls. He said Mr. Bret Keast is the qualification package you have with you. They encourage the most qualified respondent items and they are going to be negotiating the scope of work to bring to the council within the next couple of weeks. He encouraged council to read through it and read some of the projects they have done and review their strategy. He said it really falls in line with what they are thinking they need to do and thinks this is going to be a great project for them but the problem is going to be it will take a lot of time and energy from everyone because you will be involved in this process.

Mr. Palmer said this is going to be about building relationships with everyone within the town with large property owners. He said yes, they own the property and the government regulates but you have to have that nexus between the two in order to get a good development in there. You can plan all day long but if the property owner is not willing to work with you then it is a lost cause. He said they need to repair those relationships.

Mr. Palmer said his thought is the zoning ordinance recodification overhaul is their number one priority right now. If council does not feel that way he would like to hear that and if they think that doing some small area master planning is more important or some other element of planning is more important he would like to know before he talks with Kendig Keast.

Mr. Simpson said they need to have ordinances before all that comes in.

Councilmember Casey Olson said the rezoning ordinance will give everyone that guide to make it easier for people to business with them because here is the book, follow the rules, move on.

Mr. Simpson said when someone goes to the City for a permit and somehow if their piece of property is within the Historical District, a red flag needs to come up so they know they need to get handed this piece of paper also. He said that is some of the problem that happened with Mr. Cox's property.

Mayor Byron Sanford said to clarify when they met as council they did all the different strategies for the year and every one of them had that in their top listing.

Mr. Palmer said regarding small area master plans is going to be contingent on how much they have for budget. He thinks for this fiscal year they focus on recodification which is going to be at least a six to 12 month process. This does not mean they have to sit back and let all this development come in while they are working on this. There are ways they can come up with an interim ordinance while they are working on certain things.

Mr. Palmer said Tom brought up the street and lot widths and how do they keep people from coming in and requesting that. You cannot keep someone from requesting a variance, but you can create your subdivision in a fashion where it is predictable, they can find it, and know what the expectations are. He thinks that is a big problem they have. The Planning Commission does not know what the expectations are and the people that are applying do not know what the expectations are because the ordinances are all over the place. One of the things they are proposing is a unified development code which basically has everything in one place within the ordinance. From a developers perspective or someone applying, it is all one place. You do not have to go searching in the ordinance to see if you are in violation of something.

Mr. Tom Czulewicz said one of the problems currently is that you have the whole zoning section but then for the Historic District it is called a guide and that means there is a lot of flexibility. It should be coded.

Mr. Bill Simpson said he thinks the Historic District needs to have something like a guide because the properties of these owners were not built to any code to begin with so if you put it in with the other stuff you are assuming they started at the same place and that is not the case. He said you need to have some flexibility and encouragement for anyone willing to take one of these buildings on if you want Montgomery to keep the small amount of historic buildings it has.

Councilmember Sara Countryman asked would you buy a building and not update your electricity to code today if you were moving walls. Mr. Simpson said not necessarily.

Councilmember Casey Olson said New Orleans is a huge city with a huge historic district. He said his brother-in-law has been a developer there for many years and made millions. When they buy old homes they have to bring them to code.

Mayor Byron Sanford said one of the things they are doing right now talking about codes and aesthetics is the tax increment investment zone. Everything they are talking about goes through that and it is certainly a priority and takes care of these issues.

Mr. Palmer said the way this process works is once they get a contract, they will put together a steering committee consisting of 15-20 people who will be steering this entire process. They are going to have a community engagement component where this firm will come in and work with city staff, go out and meet with HOA's, and have meetings here inviting the community to receive their input. They will probably do a charette process. It is like modeling where you take it downtown and is actually very elementary where you have little Lego buildings and you can get people together and try and come up with some ideas on how you can address some of these downtown issues.

Mr. Palmer said he agrees with Larry on the big issue they have is with TxDOT. Councilmember Sara Countryman asked if they have a date for that because this has come up this past week by two people for the FM 149 expansion for TxDOT. Mr. Palmer said he does not have a date.

They will have several community meetings engaging with City Council, engaging with the Planning Commission, engaging with the EDC and they will do all this with this firm. They are going to be working on drafting these ordinances over this 12 month period and coming back and proposing these through our process through the Planning Commission, the Steering Committee, and eventually Council to adopt. The end product is going to be the Planning Commission will be proud to sit there and very clearly say these are our guidelines and standards. He said if you look at Dayton and Dickenson and some of the projects they have done, look at some of those codes and you will see what the end product will look like.

Mr. Palmer said they are going to have a code that will be enforceable and that represents the desires of the City at this time and it is going to help them regulate and capture these properties that they have just not been able to regulate. Once they do this they can move to the master plans and work with folks like Larry, Tom, Chris, and Phillip and start working with them to master plan those properties. They can get to a point where they develop plans like Wade was saying and incentivize people to come in. The incentive is if the developer builds to these specs, they will send them right through the process and give them all kinds of incentives to do that.

Councilmember Casey Olson asked Mr. Palmer if the recodification is not just codes but is also creating different types of zoning.

Mr. Palmer responded yes; they are going to come up with several districts.

Councilmember Casey Olson said there is a line, basically Buffalo Springs Road where there are the large box stores. Council had come to a consensus of drawing a line in the sand and basically saying no big box stores past this line to the west and keep the big box stores to the east. If they make them mad enough they will go ahead and build anyhow and then the City is out the tax money. He said if they can set it up where they are welcome to come to an area, we can guide them where we want them. They can set up the rest of the area downtown for those niches, the small boutiques, and the mom and pop restaurants. He said the goal of this recodification is for them to be able to direct with their zoning. That is where they can draw the line and use Buffalo Springs Drive or somewhere in between depending on the acreage.

Councilmember Casey Olson said another problem is they do not know where the loop wants to come in and the County is all over the place as far as where they want to put it. Right now, there are so many variables they do not know, especially with the other loop that will be huge.

Mr. Palmer said with this process, if you look at the samples of the work they have done it will not only have the elements of the code in there but will have illustrations in which they have to build to such as setbacks, landscaping, building design, orientation building so when you have a project from the Planning Commission it will be very simple.

Mr. Bill Simpson asked how long does something like this take.

Mr. Palmer responded a year.

Mr. Palmer said you will read in the proposal it talks a little about interim ordinances. He said if they come up with what they want to have in a certain area and have the ordinance ready to go, they can adopt the ordinance that is going to cover them.

Councilmember Cheryl Fox asked what is the cost for this.

Mr. Palmer responded the contract is on hold, but they are looking at \$120,000-\$150,000 and they have \$120,000 in the budget for that.

Mr. Palmer said if this is going to span a couple fiscal years it is something they will have to consider. They have \$120,000 this fiscal year so they are good. He said that is going to be a recodification, the master plan piece and is probably going to be a little more, but he is going to try and see if he can negotiate the future land plan as part of recodification because there are two things it protects. It protects the zoning ordinance and the future land use plan and those are two key things they need to have in place.

Councilmember Casey Olson said one of the things they have to make sure they consider when they start drawing the line is to look at what they have in place and some of that is just bare

land. They would have to look at where they attach and where the roads would come in, what road is there where they can tie in to, and how much money is it going to cost to update.

Mayor Byron Sanford said the railroad is ending up being a blessing because the engineers say that the right-of-way railroad ties everything up along TxDOT passage through is negotiating the railroad over, under and through everything so it may be a blessing to hold the line so the City can catch up because there are three or four proposals of how to zigzag through or go straight through on the south end.

Mayor Byron Sanford said he made a good relationship with the Library Club and Mr. Tom Hoyt. The county development, the library and Memory Park is also supported by the Lions Club and is a big attraction. He talked to areas of attraction that are solid which are Fernland and the library and he promised Tom he would follow through with his promise.

Mayor Byron Sanford said they have already approved Wayfinding Signs and already have design and redesign ready or almost ready. He is saying to staff he really wants to see that come to the front. They have maybe three signs they talked about that is an update from the cheap ones TxDOT put in and there is a welcome to Montgomery sign that he thinks might be cost prohibited, but this is an EDC thing also and believes a large part if not all comes out of the EDC budget. He added as a priority next step, leaving the EDC as he is, he would like EDC to please move that up the priority ladder. He believes they have the money to do it, they have already approved it so let us get the Library and Fernland and whatever else they want to add, and put that first one that comes in. He added if there is money for the welcome to Montgomery sign that is great, but he sees Fernland and the library as something he promised.

For three consecutive years Fernland is the leading tourist attraction and the library is very close to that. The thing about the library is you would be surprised at how much they reach the school.

Councilmember Cheryl Fox said regarding the signage Mayor Byron Sanford is talking about, she knows they will never be a Highland Park like there is in Dallas but if you have that really nice signage and also have landscaping when you leave the City limits of Conroe you know you are coming into Montgomery because of landscaping. She added that also applies to FM 149 and going out west. She said that is very important to her and she has lived here for a very long time.

Mayor Byron Sanford said they did make the Texas flag prominent and it is a big upgrade from what you see especially from Conroe. He thinks they have done a good job of getting in front of the eastern traffic and the welcome Montgomery sign is going to be a much better thing. He said if they can afford both he would support that if not, at least get Fernland and the library done.

Mr. Wade Nelson said regarding what councilmember Cheryl Fox said it is creating a gateway. He said Lone Star and SH 105 west and east and FM 149 south and north which are true gateways.

Councilmember Sara Countryman said she has gone through the code drafting experience of the last three years this company has done and they work with 39 cities in the State of Texas. She said she knows there are some of them on the list that are small in the sense their population is around ours. She asked Mr. Palmer if they look here or do they look at the bigger ones because they would be growing into bigger.

Mr. Palmer said he would look at all of them. He thinks what he is going to do is have Mr. Keast come in and do a workshop and have him present so everyone can ask their questions. He said he would not go back more than a few years, but the end product is going to be the same. He

said obviously it depends on the scope of work as well and how much money those cities had to put in.

Mr. Palmer said he is glad councilmember Cheryl Fox brought up the gateway districts because that is also part to this.

Mr. Wade Nelson said that goes through teaming up with TxDOT and doing it now and not waiting.

Mr. Palmer said TxDOT will be coming in next week for the Traffic Advisory Committee.

Mr. Wade Nelson said instead of doing concrete medians with pavers you can get landscaping with trees and lighting all the way through SH 105 and all the way through town.

Mayor Byron Sanford said as far as next steps, he thinks there is a good foundation here and the tri-lateral meeting is a good foundation that goes right into the tours. He said they do realize it is a one to two year, very important thing they do project the population to 5,000 within three to five years and still thinks that cap is around 10,000 as projected so they can expect to be a city the size of Dayton possibly someday, you have Magnolia on the south which issued their fourth moratorium on permits and they are ahead of that game by leaps and bounds. He said he has a friend in Dayton who is the City Manager and all the decisions they made that were not fiscally prudent got themselves upside down.

Mayor Byron Sanford stated they are very blessed to have the council they have and the staff they have willing to work together toward a common goal. He thinks they are going in the right direction and have the foundation for that. It is a massive thing when they started the process of looking for a City Administrator. They had to go all the way to Georgia and have a marine help them because this is a very tough job and they now have a proactive leader who is not afraid to make the tough decisions.

Mayor Byron Sanford said staff needs help. Staff is getting overwhelmed and get stretched in so many directions so please help them to control the narrative and keep the noise down by simply saying here are the facts and here is what we are facing which is not any different than 99 percent of all the other conservative cities because they are flocking here with a set of expectations from Arizona and California. He said the demographics since the time he moved here three years ago has massively changed.

Councilmember Sara Countryman said having solid ordinances and laws and backbone will stand up a lot.

Mayor Byron Sanford said it helps and gives them the backbone and foundation to go forward and make decisions and if they do it that way it does take some of the grind off of the staff. They are trying to go that direction and if they do that with all three arms of this City he thinks they are going to be in good shape going forward.

Councilmember Sara Countryman said Ms. Shannon Reid brought up a good idea and Mr. John Fox too regarding the lights on SH 105. She asked if TxDOT is putting any lights out there.

Mr. Palmer said he has no idea but they can ask them.

Ms. Shannan Reid said when turning into Chick-Fil-A and Mod Pizza on that stretch of SH 105 when it gets dark there are no street lights there.

Mr. McCorquodale said that may be an Entergy or electric company thing.

Mayor Byron Sanford said he and councilmember Stan Donald are two of the blessed people in this city because they are the only ones under MidSouth. For three years and the ice storm and every little thing that happens, their lights do not go out. His point is he wants to see the City do whatever it can when Entergy comes in. Entergy goes all the way to Louisiana and have massively come all the way across the north side competing with NRG in Houston. Entergy has overreached their infrastructures. He said he spoke with MidSouth about this and they cannot do anything about it. He asked can they not chose at least who their utilities are with.

Councilmember Casey Olson said of all the research he has done on this; the State is signing monopoly agreements with the energy companies. If you are in the Houston area where it is deregulated, any little mom and pop can open up and sale energy based off the rates. He said who they have up here they have a monopoly agreement.

Mayor Byron Sanford asked for how long. Councilmember Casey Olson replied it is open ended as far as he knows.

ADJOURNMENT at 11:30 A.M.

Submitted by: *Diana Titus*
Diana Titus (Jul 10, 2024 08:36 CDT)
Diana Titus, Deputy City Secretary

Date Approved: 07/09/2024

Reviewed by:
Nici Browe, TRMC, City Secretary

Casey Olson
Casey Olson (Jul 10, 2024 17:37 CDT)
Casey Olson, Mayor Pro Tem









Approved Minutes Joint CC, P&Z, MEDC

Final Audit Report

2024-07-10

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