

MINUTES OF REGULAR MEETING  
EAST MONTGOMERY COUNTY IMPROVEMENT DISTRICT  
March 11, 2021

THE STATE OF TEXAS           §  
  §  
COUNTY OF MONTGOMERY    §

The Board of Directors of East Montgomery County Improvement District (the “District”) met in Regular Session, open to the public, on the 11<sup>th</sup> day of March, 2021, at 5:30 p.m., at the East Montgomery County Improvement District Complex, Board Room, Room, 103, 21575 US Hwy. 59 North, New Caney, Texas, in accordance with the duly posted notice of meeting, and the roll was called of the duly constituted member of said Board of Directors, as follows:

Brenda Webb	Chairperson
Stephen Carlisle	Vice Chair
Katherine Persson	Secretary
Leonard Rogers	Assistant Secretary
Fred Wetz	Treasurer/Investment Officer
Martin Zepeda	Assistant Treasurer
Richard Tramm	Director
Ronald Willingham	Director

and all of said persons were present, except Director Tramm, thus constituting a quorum.

Also present were Mr. Frank McCrady, Ms. Matlage, Ms. Gilbert, Ms. Green, Mr. Mixon, Mr. Greg Phipps, Ms. Kaye Townley, Mr. David Marks and several members from the community, as shown on the attached sign in sheet.

Chair Webb called the meeting to order, announced that a quorum was present.

Director Wetz led in prayer followed by the pledges of allegiance led by Director Willingham.

As the first order of business, the Board deferred receiving questions and comments from members of the audience after Chair Webb stated that no one had signed up to speak.

The Board next considered the review and approval of the minutes of the Board of Directors meeting held on February 11, 2021. After review and discussion, Director Rogers moved to approve the minutes of the Board of Directors meeting held on February 11, 2021, as written. Director Willingham seconded the motion, which unanimously carried.

The Board next considered the status of construction of improvements and the leasing of space in the District’s office building. Mr. McCrady stated that work on the building is on-going.

## **East Montgomery County Improvement District meeting of March 11, 2021**

The Board next considered the financial, bookkeeping, cash flow and investment reports, and authorizing the payment of invoices presented as reflected in said reports. Ms. Townley presented the attached financial and investments reports, prepared by Municipal Accounts & Consulting, LP, and discussed the invoices presented for payment. Following review, Director Zepeda made a motion to approve said reports as presented and to authorize payment of invoices on the General Operating Fund and debits for payroll, and on the Special Events Account, as set forth on the attached reports. Director Wetz seconded the motion, which unanimously carried.

The Board next considered a report on engineering and construction projects within the Industrial Park, including the status of the sale of dirt excavated from the future detention pond site. Mr. Phipps stated that no dirt sales occurred during the month.

The Board next considered the status of platting the Industrial Park, Section 3. Mr. Phipps stated that the tax certificates for ownerships within the plat boundary are being ordered from the Montgomery County Tax Office as the taxes are paid. He stated that the plat will be resubmitted once all the 2020 tax certificates are available.

The Board next considered the status of the drainage improvements along Gene Campbell Boulevard. Mr. Phipps stated that JAC is working with Montgomery County Pct. 4 for inclusion of the work into the Gene Campbell Boulevard widening project.

The Board next considered a report on the Economic Development Administration (“EDA”) Business Center Building in the Industrial Park, including the approval of plans, specifications and construction documents and authorizing the Project Bidding Phase. Mr. Phipps stated that JAC met with Mr. Brady with Joiner Architects (“Joiner”) and received authorization to begin the civil site design. He stated that JAC is working to finalize the plans for the bidding approval at the May meeting.

The Board next deferred the approval of a dirt contract, review of bids, consideration of architect’s/engineer’s recommendations, and consideration of award of project for construction.

The Board next deferred actions relating to the EDA Business Center Building.

The Board next considered the annual review and adoption of a Resolution Adopting Prevailing Wage Rate Scale for Construction Projects. Mr. Marks presented the attached survey of the Prevailing Wage Rates for Construction Projects for the Department of Labor and reviewed a Resolution with the Board approving the same. After discussion, Director Carlisle made a motion to adopt the Resolution Adopting Prevailing Wage Rate Scale for Construction Projects based on the Department of Labor rates. Director Persson seconded the motion, which unanimously carried.

## **East Montgomery County Improvement District meeting of March 11, 2021**

The Board next deferred announcements, after Mr. McCrady stated he had nothing new to report.

The Board next recessed to Executive Session at 5:46 p.m. to discuss real property matters pursuant to §551.072, Texas Government Code, pending or contemplated litigation pursuant to §551.071, Texas Government Code, matters in which the duty of the attorney to the District under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflict with Chapter 551, Texas Government Code, pursuant to §551.071, Texas Government Code, personnel matters pursuant to §551.074, Texas Government Code and Economic Development negotiations pursuant to §551.087, Texas Government Code. The Board returned from Executive Session at 7:59 p.m.

The Board next deferred a report on the status of the arbitration between Drymalla Construction Co. and the subcontractor on the YMER construction project.

The Board next considered the status of economic development Incentive Agreements (“IA”), including the approval of an IA with Lowe’s relative to the construction of a distribution center in the Industrial Park-North. Mr. McCrady recommended offering a \$500,000.00 grant for leasehold improvements and equipment purchases or leasing. He also presented the executed Form 1295 from Lowe’s. After discussion, Director Zepeda moved that the Board approve the IA with Lowe’s, as set out above. Director Carlisle seconded the motion, which unanimously carried.

The Board next considered the approval of an IA with Drift TX, LLC (“Drift”). Mr. McCrady stated that the company has leased a building and recommended offering a \$90,000 grant for leasehold, equipment or workforce training. He also presented the executed Form 1295 from Drift. After discussion, Director Carlisle moved that the Board approve the Incentive Agreement with Drift, as set out above. Director Persson seconded the motion, which unanimously carried.

The Board next considered a report on the activities within the Industrial Park.

The Board next deferred the approval of a Conveyance of Utility Facilities for water distribution and wastewater collection facilities to serve Industrial Park, Section 3 (Quadvest) to East Montgomery County MUD No. 3 (“EMC 3”), as the plat has not yet been recorded.

The Board next deferred the approval of a Conveyance of Utility Facilities for wastewater lift station and force main improvements to serve Industrial Park, Section 3 (Quadvest) to EMC 3, as the plat has not yet been recorded.

## **East Montgomery County Improvement District meeting of March 11, 2021**

The Board next considered the status of the re-purchase of the 4.286-acre tract and the 10.4668-acre tract owned by Powerhouse Industries (“Powerhouse”) (formerly World Fab). Mr. McCrady stated that he is in the process of getting the property out of probate court.

The Board next considered the status of the Purchase and Sale Agreement (“Agreement”) with LAW Investment Holdings, LLP (“LAW”), or its assignee relative to the purchase of a 11.5191-acre tract (10.4668-acre tract owned by Powerhouse) in the Industrial Park. Mr. McCrady stated that LAW was in the process of purchasing the 10.4668-acre tract from Powerhouse but noted that the company might move to a different site in the Industrial Park due to the property being tied up in probate.

The Board next considered the approval of an Incentive Agreement and a Purchase and Sale Agreement with The Pallet Guys, relative to the purchase of a tract of land in the Industrial Park, including authorizing the Chair and President to take all actions necessary to close on the purchase and sale of the land. Mr. McCrady discussed leasing or selling the drill site to The Pallet Guys to construct a 16,000 square foot building. He recommended offering a \$30,000 grant for equipment or relocation expenses. After discussion, Director Carlisle moved to approve the Incentive Agreement and Purchase and Sale Agreement or a Lease Agreement with The Pallet Guys, and to authorize the Chair and President to take all actions necessary to close on the purchase and sale of the land or the lease of the land to The Pallet Guys. Director Zepeda seconded the motion, which unanimously carried.

The Board next considered the status of contracts relative to the purchase of land for expansion in the Industrial Park. Mr. McCrady reported on the status of negotiations.

The Board next deferred the approval of a Resolution of Authority relative to the purchase and financing of tracts of land for expansion of the North Industrial Park.

The Board next considered the status of the sale of a 127-acre tract of land in the North Industrial Park for construction of distribution building no. 2. Mr. McCrady stated that the Purchase and Sale Agreement has been executed.

The Board next considered the approval and to authorize the execution of a Waiver and Termination of Re-Purchase Option (“Waiver”) relative to The Cubes at EMC Industrial Park, LLC tract in Industrial Park North. After discussion, Director Persson moved that the Board approve the Waiver and authorize Mr. McCrady to execute same on behalf of the Board and the District. Director Wetz seconded the motion, which unanimously carried.

**East Montgomery County Improvement District meeting of March 11, 2021**

The Board next considered the status of a petition to annex 71.788 acres of land owned by the District into EMC No. 3, including the approval of Covenants, Conditions and Restrictions (“Covenants”) relative to such tract. Mr. Marks stated that EMC No. 3 has received the executed Consent Resolution from the City of Conroe. After discussion, Director Persson moved that EMC No. 3 be authorized to proceed with the annexation of the subject tract, that the Board approve the Covenants and authorize Mr. McCrady to execute same on behalf of the Board and the District. Director Wetz seconded the motion, which unanimously carried.

The Board next considered the renewal of the District’s insurance coverage for term expiring March 31, 2021. Mr. McCrady stated that he, Mr. O’Connell and Director Wetz met with TML relative to the renewal proposals for property, comprehensive boiler and machinery, commercial general liability and hired car and non-ownership automobile liability, pollution liability, directors and officer’s liability, cyber liability, umbrella, public employee blanket crime, directors position bond, worker’s compensation, and business travel accident coverage scheduled to expire on March 31, 2022. Director Wetz discussed the various proposals and the cyber security proposal and recommended that the District chose Tier 4. After discussion, Director Wetz moved to renew the existing coverages provided by TML and authorize Mr. McCrady to execute the various coverage proposals. Director Persson seconded the motion, which unanimously carried.


The Board next deferred the approval of the final account of construction costs related to the New Quest/TxDOT detention pond, acceptance of the project as complete, granting of detention easements, entering into a maintenance agreement relative to the detention pond, receipt of funds from TxDOT and payment thereof to New Quest in accordance with the terms of the Developer Reimbursement Agreement.

The Board next considered matters for possible placement on future agendas.

There being no further business to come before the Board of Directors, the meeting was adjourned.

(SEAL)



  
Katherine Persson  
Secretary, Board of Directors