

MINUTES OF REGULAR MEETING
EAST MONTGOMERY COUNTY IMPROVEMENT DISTRICT
July 15, 2021

THE STATE OF TEXAS §
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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 15th day of July, 2021, at 5:30 p.m., at the East Montgomery County Improvement District Complex, Conference Room, Room 200A, 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 Directors Webb, Persson and Tramm, thus constituting a quorum.

Also present were Mr. Frank McCrady, Mr. Joe O’Connell, Ms. Kelley Mattlage, Mr. Creg Mixon, Ms. Talina Gilbert, Ms. Jennifer Green, Mr. Greg Phipps, Mr. David Marks and Mr. Blake Ellis.

In absence of the Chair, Vice Chair Carlisle 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 Zepeda.

As the first order of business, the Board deferred receiving comments from members of the audience after Vice Chair Carlisle 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 June 10, 2021. After review and discussion, Director Rogers moved to approve the minutes of the Board of Directors meeting held on June 10, 2021, as written. Director Wetz seconded the motion, which passed unanimously.

East Montgomery County Improvement District meeting of July 15, 2021

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 the category of the building changed and therefore new requirements, including the installation of a sprinkler system took effect. He stated the sprinkler project is estimated to cost approximately \$150,000. He noted that the offices on the north end of the building still need to be cleaned but the rest of the building is complete. Mr. McCrady stated that the remediation company is working to resolve the final leaks. He noted that the office staff will move back into Suite 200 once the sprinkler project is complete.

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

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 updated title report and the current tax certificates have been ordered from the Montgomery County Tax Office. 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 to ensure the drainage project is included in the Gene Campbell Boulevard widening project.

The Board next deferred the approval of plans and specifications and authorization to advertise the project for bids for construction of The Pallet Guys building after Mr. Phipps stated that JAC is working with the architect and supporting subconsultants on the site layout and building plans.

East Montgomery County Improvement District meeting of July 15, 2021

The Board next deferred the approval of plans and specifications and authorization to advertise the project for bids for construction of the Titan Environmental USA building after Mr. Phipps stated that JAC is working with the architect and supporting subconsultants on the site layout and building plans.

The Board next considered a report on the Economic Development Administration (“EDA”) Business Center Building in the Industrial Park, including the status of a contract with Meridian ML, LLC for the site fill and rough grading to serve the EDA Business Center building. Mr. Phipps stated that JAC has received the USACE Approved Jurisdictional Determination letter and that the contracts have been executed by the contractor. He stated that the EDA executed construction contract document checklist will be sent for approval and noted with EDA approval, the notice to proceed will be issued.

The Board next considered the review of bids, consideration of architect’s/engineer’s recommendations, and consideration of award of project for construction. Mr. Phipps stated that the project plans are at the Montgomery County Permit office and the Fire Marshall’s Office for the permit approval. He noted that once the permit is issued, the project will be sent to the EDA for approval to bid.

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

The Board next considered announcements. Mr. McCrady presented and reviewed the attached Calendar of Events. He noted that Chair Webb’s mother-in-law passed away this morning and that Chair Webb is in Arkansas for the funeral.

The Board next recessed to Executive Session at 5:53 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 7:08 p.m.

The Board next considered the status of economic development Incentive Agreements (“IA”), including the status of an IA with Lowe’s relative to the construction of a distribution center in the Industrial Park-North. Mr. McCrady stated that he had nothing new to report.

East Montgomery County Improvement District meeting of July 15, 2021

The Board next considered the approval of an IA with American Realty Group or its assigns (La Marketa de Porter, LLC (“La Marketa”)). Mr. McCrady recommended offering a sales tax rebate of ½ of 1% in Phase I for seven (7) years. He also presented the executed Form 1295 from La Marketa. After discussion, Director Wetz moved that the Board approve the Incentive Agreement with La Marketa, as set out above. Director Zepeda seconded the motion, which passed unanimously.

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.

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 the re-purchase transaction is pending in the title company.

The Board next deferred the status of an Incentive Letter and a Lease Agreement with The Pallet Guys relative to the lease of a drill site and improvements to be constructed thereon in the Industrial Park.

The Board next deferred the status of an Incentive Letter and a Purchase and Sale Agreement with Electronic Technical Services Corporation relative to the purchase of a site in the Industrial Park.

The Board next deferred the status of an Incentive Letter and a Lease Agreement with Titan Environmental USA relative to the lease of land and improvements to be constructed thereon in the Industrial Park.

The Board next deferred the status of an Incentive Letter and a Purchase and Sale Agreement with Acacia, LLC relative to the purchase of a site in the Industrial Park.

The Board next deferred the status of contracts relative to the purchase of land for expansion in the Industrial Park after Mr. McCrady stated he had nothing new to report.

The Board next considered the approval of a Resolution of Authority relative to the purchase and financing of 29.1 acres of land for expansion of the Industrial Park. After discussion, Director Wetz moved to approve the Resolution of Authority for the 29.1-acre tract, as set out above. Director Zepeda seconded the motion, which unanimously carried.

East Montgomery County Improvement District meeting of July 15, 2021

The Board next deferred the status of the sale of a 127-acre tract of land in the North Industrial Park after Mr. McCrady stated he had nothing new to report.

The Board next considered the status of a petition to annex 112.022 acres of land owned by the District into East Montgomery County MUD No. 3 (“No. 3”). Mr. Marks discussed the status and stated that the petition was approved by the City of Conroe on June 24, 2021, contingent upon No. 3 agreeing to enter into a Strategic Partnership Agreement with the City of Conroe within the next 180 days.

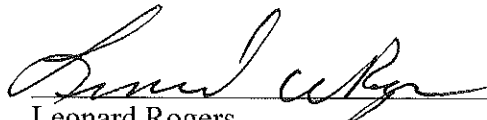
The Board next considered the approval of the final account of construction costs related to the New Quest/TxDOT detention pond, acceptance of the project as complete, granting of detention easements, entering into a maintenance agreement relative to the detention pond, receipt of funds from TxDOT and payment thereof to New Quest in accordance with the terms of the Developer Reimbursement Agreement. Mr. Marks discussed the status and noted that he has received the necessary conveyance and easement documents and funds from TxDOT and that the District has released the funds payable to New Quest. After discussion, the Board concurred to remove the item from the agenda.

The Board next considered matters for possible placement on future agendas, including approval of architect contract documents and community grants.

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

(SEAL)




Leonard Rogers
Asst. Secretary, Board of Directors