

MINUTES OF REGULAR MEETING  
EAST MONTGOMERY COUNTY IMPROVEMENT DISTRICT  
December 13, 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 13<sup>th</sup> day of December, 2021, at 5:30 p.m., at the East Montgomery County Improvement District Complex, Board Room, Room 105, 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, Mr. Joe O’Connell, Ms. Kelley Mattlage, Ms. Talina Gilbert, Ms. Jennifer Green, Mr. Greg Phipps, Ms. Kaye Townley, Mr. David Marks and several others 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 considered the execution of Grant Agreements and the presentation of checks to the Community Development Grant recipients.

Ms. Seale and Mr. Jeffcoat with the Friends of Splendor Ag next addressed the Board and requested a sponsorship for the Friends of Splendor Ag Roundup Bull Riding Event scheduled for February 26, 2022.

The Board next considered the review and approval of the minutes of the Board of Directors meeting held on November 4, 2021. After review and discussion, Director Persson moved to approve the minutes of the Board of Directors meeting held on November 4, 2021, as written. Director Rogers seconded the motion, which passed unanimously.

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The Board next deferred a report on the 2021 constable patrol security program at shopping centers located within the District during the holiday season.

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 remediation work is complete and that he is marketing the building for future events. He stated that the air system will be replaced in the next 30-60 days.

The Board next considered a request for extension of the Grant Agreement submitted by Montgomery County Emergency Services District No. 7 ("ESD 7"). Mr. McCrady recommended offering a three (3) year grant extension with ESD 7. After discussion, Director Carlisle moved to approve the three (3) year grant extension, and to authorize the Chair or President to execute the Agreement on behalf of the Board and the District. Director Rogers seconded the motion which passed unanimously.

The Board next considered a request for a grant for the Veterans Memorial located on Hwy. 45 and Hwy 105 in Conroe. After discussion, Director Webb recommended deferring action to allow the directors to view the existing memorial and projects available.

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 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, Plains EDA Grant Account, Special Events Account, debits for payroll and wire transfers, 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, but that he is working with a contractor in the Industrial Park that needs material for two sites.

The Board next considered the status of the drainage improvements along Gene Campbell Boulevard. Mr. Phipps stated that he will continue to monitor the project to ensure that Montgomery County Pct. 4 will install the drainage pipes, as a change order, in connection with the Gene Campbell Boulevard widening project.

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The Board next considered the review of bids and authorization of an award of a contract for construction of the building to be leased to The Pallet Guys in the Industrial Park. Mr. Phipps stated that eight (8) bids were received on December 10, 2021, with the low bid being submitted by Frost Construction Company, Inc. (“Frost”) with a base bid of \$2,497,000 and \$2,652,000 for three (3) extra work items. He presented the executed Form 1295 from Frost and recommended that the Board award the contract to Frost. After discussion, Director Persson moved to award the contract to Frost, as set out above, subject to the tenant’s approval of the costs associated with the three (3) extra work items. Director Wetz seconded the motion, which passed unanimously.

The Board next deferred the review of bids and authorization of an award of a contract for the construction of the building to be leased to Titan Environmental USA (“Titan building”) after Mr. Phipps stated that the project is being advertised in the Houston Business Journal and The Observer with a bid opening scheduled for January 4, 2022.

The Board next considered the status of the contract with BSC Management, Ltd., (“BSC”) for the clearing and grubbing of 6 acres out of Reserve B, EMCID Industrial Park, Section 4 to serve the Titan building. Mr. Phipps stated that the project is substantially complete and that a final inspection is being scheduled. He then presented pay application no. 1 in the amount of \$41,116.00 and recommended that the Board approve the payment of same. After discussion, Director Wetz moved to approve pay application no. 1, as set out above. Director Carlisle seconded the motion, which passed unanimously.

The Board next considered a report on the Economic Development Administration (“EDA”) Business Center Building in the Industrial Park, including the status of the contract with Comex Corporation (“Comex”) for construction of the EDA building. Mr. Phipps stated that JAC has verified that Comex is an active SAM.gov member. He stated that the construction contracts are in the process of being prepared and that he will forward the bonds and insurance to MRPC for review and will then submit the contract to the EDA for approval. Mr. Phipps noted that the Notice to Proceed will be issued as soon as the EDA approves the contract.

The Board next deferred the approval of final project documents, acceptance of project and other matters relating to the EDA Business Center Building.

The Board next deferred announcements after Mr. McCrady stated there were none to discuss.

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Director Carlisle exited the meeting at this time.

The Board next recessed to Executive Session at 6:15 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. The Board returned from Executive Session at 8:01 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 and Mr. Marks are working on same.

The Board next considered the status of an IA with American Realty Group or its assigns (La Marketa de Porter, LLC). Mr. McCrady stated that he is working on possible platting issues that could terminate the deal.

The Board next considered the approval of an IA with Smoke Stack Bar-B-Q (“Smoke Stack”). Mr. McCrady discussed the proposed terms of the IA and presented the executed Form 1295 from Smoke Stack. After discussion, Director Persson moved to approve the IA with Smoke Stack. Director Wetz seconded the motion, which passed unanimously.

The Board next considered the approval of an IA with Husteel USA (“Husteel”). Mr. McCrady discussed the proposed terms of the IA and presented the executed Form 1295 from Husteel. After discussion, Director Persson moved to approve the IA with Husteel. Director Rogers seconded the motion, which passed unanimously.

The Board next considered the approval of an IA with JL Texas Pallets & Logistics, LLC (“JL”). Mr. McCrady discussed the proposed terms of the IA and presented the executed Form 1295 from JL. After discussion, Director Rogers moved to approve the IA with JL. Director Persson seconded the motion, which passed unanimously.

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

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The Board next considered the approval of a Conveyance of Utility Facilities (“Conveyance”) for storm water drainage facilities to serve the Industrial Park, Section 4 (Angel Bros.) to East Montgomery County MUD No. 3. Mr. Marks reviewed the Conveyance with the Board. After discussion, Director Rogers moved to approve the Conveyance, as set out above. Director Persson seconded the motion, which carried unanimously.

The Board next considered the approval of a Special Warranty Deed (“SWD”) for the lift station site – restricted reserve “D” (0.195 acres) to serve the Industrial Park, Section 4 to East Montgomery County MUD No. 3. Mr. Marks reviewed the SWD with the Board. After discussion, Director Rogers moved to approve the SWD, as set out above. Director Persson seconded the motion, which carried unanimously.

The Board next considered the status of the Real Estate Agreement (“Agreement”) with Gromax Development, LLC (“Gromax”) relative to the purchase of a 2.29 acre site in the Industrial Park, including the approval of an assignment from Gromax to GroGro, LLC (“GroGro”) relative to the two option tracts, and approval of assignment of the Agreement from Gromax to The Centre on Gene Campbell, LLC, and authorizing the President and Chair to take all actions necessary to close on the transaction. Mr. McCrady discussed the transaction with the Board. After discussion, Director Wetz moved to approve an assignment from Gromax to GroGro relative to the two option tracts and approve the assignment of the Agreement from Gromax to The Centre on Gene Campbell, LLC, and authorize the President and Chair to take all actions necessary to close on the transaction. Director Zepeda seconded the motion, which passed unanimously.

The Board next considered the approval of a Real Estate Agreement with GroGro relative to the purchase of the 2.838-acre option tract and authorizing the President and Chair to take all actions necessary to close on the transaction. Mr. McCrady discussed the Agreement with the Board. After discussion, Director Wetz moved to approve the Real Estate Agreement with GroGro relative to the purchase of the 2.838-acre option tract and authorize the President and Chair to take all actions necessary to close on the transaction. Director Zepeda seconded the motion, which passed unanimously.

The Board next considered the status of a Lease Agreement with The Pallet Guys relative to the lease of a site and improvements to be constructed thereon in the Industrial Park. Mr. McCrady stated that he is working to get the lease signed.

The Board next considered the status of the Purchase and Sale Agreement with Electronic Technical Services Corporation relative to the purchase of a site in the Industrial Park. Mr. McCrady stated that the real estate transaction has closed.

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The Board next considered the status of a Lease Agreement with Titan Environmental USA (“Titan”) relative to the lease of land and improvements to be constructed thereon in the Industrial Park. Mr. Mr. McCrady stated that he has received the executed Lease Agreement from Titan and that the engineer is in the process of preparing the plans.

The Board next considered the status of the Purchase and Sale Agreement with Acacia, LLC (“Acacia”) relative to the purchase of a site in the Industrial Park. Mr. McCrady stated that he is in discussions with Acacia on a possible new site.

The Board next deferred the status of contracts relative to the purchase of land for expansion in the Industrial Park.

The Board deferred the approval of a Resolution of Authority (“Resolution”) relative to the purchase and financing of the old ESD 6 fire station property after Mr. Marks stated that the Resolution was approved at the last meeting.

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 deferred the approval of a Purchase and Sale Agreement relative to the purchase of additional land for expansion of the Industrial Park and authorize negotiations for financing in connection therewith.

The Board next considered the status of a Purchase and Sale Agreement relative to the purchase of approximately 40 acres of land for park development. Mr. McCrady stated that he is working to get the contract into the title company.

The Board next considered the approval of an Incentive Agreement and Purchase and Sale Agreement with Prime Helium Supply Co. (“Prime”), or its assignees relative to the purchase of a 5-acre site in the Industrial Park. Mr. McCrady discussed the terms of the Agreement with the Board and presented the executed Form 1295 from Prime. After discussion, Director Wetz moved to approve an Incentive Agreement and Purchase and Sale Agreement with Prime, as set out above. Director Zepeda seconded the motion, which passed unanimously.

The Board next considered the approval of a modification of the lease with YMER Technology and approval of a sublease of a portion of the building to a fan manufacturing company. Mr. McCrady discussed the lease modifications with the Board. After discussion, Director Persson moved to approve a modification of the lease with YMER and to approve a sublease for a portion of the building, as set out above. Director Rogers seconded the motion, which passed unanimously.

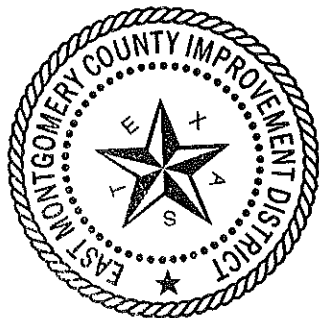
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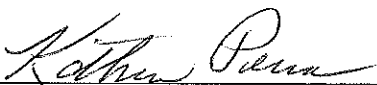
The Board next considered the status of a petition to annex 112.022 acres of land owned by the District into East Montgomery County MUD No. 3 (“No. 3”). Mr. Marks reminded the Board that the petition was approved by the City of Conroe (“City”) on June 24, 2021, contingent upon No. 3 agreeing to enter into a Strategic Partnership Agreement (“SPA”) with the City of Conroe within the next 180 days and noted that same is pending. He noted that the Resolution cannot, under State law, contain contingencies and that therefore, the Resolution must expire and be re-approved after No. 3 and the City have approved the SPA.

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)



  
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Katherine Persson  
Secretary, Board of Directors