

MINUTES OF REGULAR MEETING  
EAST MONTGOMERY COUNTY IMPROVEMENT DISTRICT  
October 10, 2022

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 10<sup>th</sup> day of October, 2022, at 5:30 p.m., at The Atrium Center, 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
Ronald Willingham	Assistant Treasurer
Crystal Moore	Director
Elizabeth Mullane	Director

and all of said persons were present, except Directors Persson and Mullane, thus constituting a quorum.

Also present were Mr. Frank McCrady, Mr. Brian Lopez, Ms. Kaye Townley, Mr. Greg Phipps and Mr. David Marks.

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

Chair Webb led in prayer followed by the pledges of allegiance led by Director Carlisle.

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

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, EDA Grant Account, Special Events Account, debits for payroll and wire transfers, as set forth on the attached reports. Director Willingham seconded the motion, which passed unanimously.

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The Board next considered the review and approval of the minutes of the Board of Directors meetings held on September 8, 2022 and September 30, 2022. After review and discussion, Director Wetz moved to approve the minutes of the Board of Directors meetings held on September 8, 2022, as written, and defer approval of the September ~~8~~<sup>30</sup>, 2022, minutes until the next meeting. Director Willingham seconded the motion, which passed unanimously.

The Board next considered the review and approval of an updated 2022 EMCID Sales Tax Calculations to Comply with Agreements with Montgomery County Emergency Services District No. 6 and No. 7. Mr. Lopez reviewed the report with the Board and questioned whether the revenues from the EMCID Economic Development Zone No. 3 are correctly presented. After discussion, the Board deferred approval of the report until the next meeting.

The Board next deferred the approval of the audit report for the fiscal year ended June 30, 2022.

The Board next considered authorizing the 2022 Constable patrol security program at shopping centers located within the District during the holiday season, and authorizing funding relative to same. Mr. McCrady discussed the annual program and noted that the security and patrol will be provided beginning Tuesday, November 15, 2022 through Sunday, January 15, 2023. He noted that the District has budgeted a maximum amount of \$80,000 for the patrol program. After discussion, Director Carlisle moved that the District authorize proceeding with the 2022 constable patrol security program within the budget parameters, as set out above. Director Wetz seconded the motion, which passed unanimously.

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 new AC chillers have been delivered and that he is now waiting on delivery of the air handlers.

The Board next considered the review and approval of a budget for the 2022 Holiday to Remember Ice Rink and Winter Festival (the "Festival"). Mr. McCrady reviewed the attached proposed budget and stated that the total projected cost of the Festival is \$677,075. He stated that the Festival will be open from December 16, 2022, through December 25, 2022, with the Holiday Market to be open December 16, 2022, through December 18, 2022. After discussion, Director Carlisle moved to approve the Festival budget, as set out above. Director Wetz seconded the motion, which passed unanimously.

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The Board next deferred approval of an Agreement with East Montgomery County MUD No. 3 (“No. 3”) for reimbursement of costs relative to constable patrol program to serve the Industrial Park after Mr. McCrady stated that he is currently in discussions with the Constable and No. 3 relative to the Agreement.

Mr. Phipps next presented 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. He stated that no dirt sales occurred during the month.

The Board next considered the status of the contract with Bey Commercial (“Bey”) for the construction of the building to be leased to Titan Environmental USA in the Industrial Park. Mr. Phipps presented pay application no. 7 in the amount of \$241,749.70 and noted that Comex is requesting seventy-seven (77) contract extension days. He stated that JAC recommended that the Board approve the payment of pay application no. 7 to Bey and the seventy-seven (77) contract extension days. After discussion, Director Carlisle to approve pay application no. 7 and the contract extension days, as set out above. Director Willingham seconded the motion, which passed unanimously.

The Board next considered the approval of a 0.430-acre Waterline Easement with No. 3 to serve the EDA Building in the Industrial Park, Section 3. After discussion, Director Wetz moved to approve the easement as set out above. Director Moore 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 presented pay application no. 9 in the amount of \$333,558.56 and noted that Comex is not requesting any weather-related days and recommended that the Board approve the payment of pay application no. 9 to Comex. After discussion, Director Rogers moved to approve pay application no. 9, as set out above. Director Carlisle seconded the motion, which passed unanimously.

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

Mr. McCrady next presented and reviewed the attached announcements with the Board.

The Board next recessed to Executive Session at 6:27 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

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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 8:00 p.m.

The Board next considered the status of economic development Incentive Agreements (“IA”), including the approval of an IA with Citizens Bank (the “Bank”). Mr. McCrady stated that the Bank has purchased a tract of land in the District. He recommended offering \$20,000 in construction cost reimbursements upon opening of the Bank for business, provided 51% of the total number of employees reside within the EMCID boundaries on opening day. Mr. McCrady presented the executed Form 1295 from the Bank. After discussion, Director Wetz moved to approve the IA with the Bank, as set out above. Director Carlisle seconded the motion, which unanimously carried.

The Board next considered the approval of an IA with Reds Diesel Repair (“Reds”). Mr. McCrady stated that the company wants to add a concrete foundation and carport on land adjacent to its existing building to service trucks. He recommended offering up to \$23,800 in incentive fund reimbursement for the concrete foundation upon completion, provided: a) the company creates at least two (2) full time jobs hiring residents from within the boundaries of the District; b) the incentive funds be used to reimburse costs of construction of the concrete foundation for the carport; and c) the company receives additional funds for construction of the carport through a loan from the East Montgomery County Economic Development Corporation. Mr. McCrady presented the executed Form 1295 from Reds. After discussion, Director Carlisle moved to approve the IA with Reds, as set out above. Director Wetz seconded the motion, which passed unanimously.

The Board next deferred the approval of an IA with Luna’s Case de Café Bakers.

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

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

The Board next deferred the status of the sale of a 127-acre tract of land in the North Industrial Park.

The Board next deferred the approval of a Purchase and Sale Agreement relative to the purchase of approximately 40 acres of additional land for expansion of the Industrial Park and authorize negotiations for financing in connection therewith, including authorizing the Chair and President/CEO to take all actions necessary to close on the transaction.

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The Board next considered the status of a modification of the lease with YMER Technology and status of sublease of a portion of the building to a fan manufacturing company. Mr. McCrady stated that the lease agreements are with YMER for execution.

The Board next deferred the approval of a Purchase and Sale Agreement with New Caney Beverage, Inc., including authorizing the Chair and President/CEO to take all actions necessary to close on the transaction.

The Board next deferred the approval of a Lease Agreement with Future Frame Companies or its assignees.


The Board next deferred the status of development of the 64-acre park, including the review and approval of proposals from Landscape Architects for design of the park.

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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- Leonard Rogers  
Asst. Secretary, Board of Directors