

MINUTES OF REGULAR MEETING  
EAST MONTGOMERY COUNTY IMPROVEMENT DISTRICT  
January 12, 2023

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 12<sup>th</sup> day of January, 2023, 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 Carlisle, thus constituting a quorum.

Also present were Mr. Frank McCrady, Mr. Joe O’Connell, Ms. Kelley Mattlage, Ms. Jennifer Summer Green, Mr. Ryan Bonifas, Ms. Kaye Townley, Mr. Greg Phipps, Mr. John Howell, Mr. David Marks, and others from the community, as shown on the attached sign in sheet.

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

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

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 a request for an economic development grant to the East Montgomery County Sports Association (“EMCSA”) to be used to support efforts to bring the Texas Dixie Youth Baseball Tournaments to East Montgomery County. Mr. Murray with EMCSA addressed the Board and stated that EMCSA has previously hosted tournaments and has been invited to bid on tournaments for 2023. He stated EMCSA is seeking to bid on three (3) tournaments and is expecting approximately 3,000-4,000 participants and spectators at each tournament. Mr. Murray stated that the District funded \$16,000 for each tournament last year and is requesting a grant in the amount of \$30,000 to use, together with \$20,000 raised by EMCSA, to

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bid on the June 29-July 3 tournaments. He noted that the tournaments will consist of 52 teams from all over the State of Texas and that 100% of the grant money will be used for the bidding and that the EMCSA will request approval to use any extra money for park improvements or tournament advertising. Mr. Murray stated that EMCSA is contributing \$20,000 so will have a total of \$50,000 for the bid package. After discussion, Director Mullane moved to approve the economic development grant request to EMCSA in the amount of \$30,000, as set out above. Director Wetz seconded the motion, which passed unanimously.

The Board next considered the review and approval of the minutes of the Board of Directors meetings held on November 4, 2022, November 14, 2022, November 21, 2022 and December 12, 2022. After review and discussion, Director Wetz moved to approve the minutes of the Board of Directors meetings held on November 4, 2022, November 14, 2022, November 21, 2022 and December 12, 2022, as written. Director Willingham seconded the motion, which passed unanimously.

The Board next deferred a report on the 2022 Constable patrol security program at shopping centers located within the District during the holiday season. Mr. McCrady stated that Chief Deputy Welch will present a full report on the patrol program at the next meeting.

The Board next considered the status of construction of improvements and the leasing of space in The Atrium Center. Mr. McCrady stated that the air handler should ship early February and that the stairs should be delivered on January 16<sup>th</sup>. He further noted that the building experienced a few roof leaks and that the roofing is in the process of being repaired.

The Board next deferred a report on the 2022 Holiday to Remember Ice Rink and Winter Festival after Mr. McCrady stated that a complete report will be presented at the February meeting.

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, with check no. 19942 being voided, EDA Grant Account, Special Events Account, debits for payroll and wire transfers, as set forth on the attached reports. Director Moore seconded the motion, which passed unanimously.

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Mr. Marks next advised the Board that provisions of the Public Funds Investment Act require the Board of Directors of the District to review, revise and adopt at least annually a list of qualified brokers authorized to engage in investment transactions with the District. He reviewed with the Board a Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with the District, and the attached list of financial institutions, brokers and dealers attached thereto as Exhibit "A." Mr. Marks recommended to the Board that if any of the directors have a relationship with any of the institutions shown on the list that could create a conflict of interest, then that institution(s) should be deleted from the list that the Board adopts. After discussion, Director Mullane made a motion to approve the Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with the District. Director Rogers seconded the motion, which passed unanimously.

The Board next deferred approval of an Agreement with East Montgomery County MUD No. 3 for reimbursement of costs relative to constable patrol program to serve the Industrial Park.

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 stated that the office improvements are being completed. He stated that the heaters and electrical are being completed in the warehouse and that the Fire Marshall inspection is being scheduled for the issuance of the Certificate of Occupancy. Mr. Phipps then presented pay application no. 10 in the amount of \$254,332.54 and recommended that the Board approve the payment of pay application no. 10 to Bey. After discussion, Director Rogers made a motion to approve pay application no. 10, as set out above. Director Willingham 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 the exterior walls and electrical work continue. He then presented pay application no. 12 in the amount of \$131,288.06 and stated that Comex is requesting six (6) weather related days and recommended that the Board approve the payment of pay application no. 12 to Comex and the six (6) weather days. After discussion, Director Wetz moved to approve pay application no. 12 and the six (6) weather days, as set out above. Director Mullane seconded the motion, which passed unanimously.

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The Board next considered the status of the contract with G.A.M. Construction, Inc. (“G.A.M.”) for construction of the buildout of Suite A in the EDA Business Center Building. Mr. Phipps stated that the notice to proceed was issued on December 21, 2022, with contract days beginning on January 3, 2023. He then presented pay application no. 1 in the amount of \$194,918.40 and recommended that the Board approve the payment of pay application no. 1 to G.A.M. After discussion, Director Willingham made a motion to approve pay application no. 1, as set out above. Director Wetz seconded the motion, which passed, with Director Mullane abstaining for the discussion and vote.

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 consideration of other items that may arise from time to time.

Mr. Butzler next addressed the Board and reported on the trash being left behind in the Industrial Park from the construction of the fiber optics in the area. He stated that the contractors are leaving trash behind every day and noted that they also damaged the ditch.

The Board next considered the attached announcements. Chair Webb commended the staff for their outstanding performance in putting on the holiday program.

The Board next recessed to Executive Session at 6:16 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 7:42 p.m.

Mr. Howell entered the meeting at this time.

The Board next considered the status of economic development Incentive Agreements (“IA”), including the status of the IA with Citizens Bank (the “Bank”). Mr. McCrady stated that the IA is pending with the Bank.

The Board next considered the status of the IA with Reds Diesel Repair (“Reds”). Mr. McCrady stated that the IA is with Reds for execution.

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

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The Board next considered approval of an amendment to the existing IA between the District and ETS Co. (“ETS”) and the land exchange related thereto. Mr. McCrady stated that the amendment is no longer needed as ETS has agreed to stay in its current 11-acre site.

The Board next considered the approval of an Second Amendment to IA between the District and Amazing One Holdings for a one-year contract extension. Mr. McCrady reviewed the contract extension request with the Board. After discussion, Director Wetz moved to amend the IA to reflect that construction of the development will commence on or before May 31, 2023, and that the first tenant will open for business in the development on or before December 31, 2024. Director Willingham seconded the motion, which passed unanimously.

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 recessed to Executive Session at 7:45 p.m. to discuss real property matters pursuant to §551.072, Texas Government Code, and Economic Development negotiations pursuant to §551.087, Texas Government. The Board returned from Executive Session at 7:58 p.m.

The Board next considered the status of the sale of a 127-acre tract of land in the North Industrial Park. Mr. McCrady reported that the option to purchase as expired and the purchaser is unwilling to deposit additional earnest money. He recommended no action be taken until there is demand for the property. The Board concurred with Mr. McCrady’s recommendation.

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.

The Board next considered the approval of a Purchase and Sale Agreement relative to the purchase of approximately 18.92 acres of additional land for expansion of the Industrial Park North 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. Mr. McCrady discussed the land purchase. After discussion, Director Rogers moved to approve a Purchase and Sale Agreement, authorize negotiations for financing in connection therewith, and authorize the Chair and President/CEO to take all actions necessary to close on the transaction. Director Moore seconded the motion, which passed unanimously.

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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 considered the approval of a Purchase and Sale Agreement with incentives relative to the sale of approximately 32 acres of land to GCP Paper USA, Inc., including authorizing the Chair and President/CEO to take all actions necessary to close on the transaction. Mr. McCrady discussed the land sale. After discussion, Director Willingham moved to approve a Purchase and Sale Agreement and authorize the Chair and President/CEO to take all actions necessary to close on the transaction. Director Wetz seconded the motion, which passed unanimously.

The Board next deferred the status of a Purchase and Sale Agreement with incentives relative to the sale of approximately 1.7 acres of land to Arcadian Contracting Holdings, LLC.

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 a report on the status of design and construction of proposed conference center, including: a) report on the status of design of the building; b) review of status of land acquisition for the building, infrastructure, hotel, and parking garage, and financing plan for the purchase thereof; c) report on the status of agreement for construction, financing and use of the parking garage; d) status of approval of reimbursement agreement with the utility district for reimbursement of costs of water, sanitary sewer, drainage and road extensions to serve the conference center; and e) review of bids and authorize award of contract for the extension of waterlines, sanitary sewer lines, drainage and roads. Mr. McCrady stated that the design documents are complete and have been submitted for permit review. He stated that the request for qualifications should be published in the paper tomorrow. Mr. McCrady further stated that he is currently working with the developer on the agreement for construction, financing and use of the parking garage.

The Board next deferred the status of approval of reimbursement agreement with the utility district for reimbursement of costs of water, sanitary sewer, drainage and road extensions to serve the conference center and the review of bids and authorize award of contract for the extension of waterlines, sanitary sewer lines, drainage and roads.

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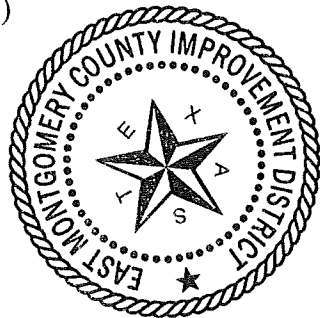
The Board next considered a report from the District’s financial advisor relating to the general plan of financing the bonds required to pay the costs of design, construction and furnishing of the conference center and the costs associated therewith, including: a) the sources and uses of funds; b) the pledged revenues for bonds; c) the additional bonds test; d) the plan of financing for garage; e) the plan of financing for hotel; and f) status of discussions with Standard and Poor’s (“S&P”) regarding rating of the bonds. Mr. Howell addressed the Board and stated that he received a revised feasibility report, which has been reviewed by Mr. O’Connell, Mr. Marks and himself. He then discussed the questions about the revised report and noted that the financial conclusions do not change without the construction of a hotel. He stated and he, Mr. Marks and Mr. O’Connell will have a conference call with Mr. Hunden to discuss the sales tax money questions and related issues. Directors Moore and Webb requested to be notified of the call-in information so they can participate if available. The Board then discussed the land value, appraiser issues and costs associated with the garage construction. The Board next requested that Mr. Marks and Mr. Howell inquire about other possible appraisers and that Mr. McCrady get an independent appraisal of the property and request that Mr. Signorelli provide hid proposal for financing the garage construction based on the \$18,000,000 cost. The Board also requested that Mr. McCrady provide the Board and consultants with the bank financing proposal so the financing alternatives can be compared and discussed. Mr. Howell agreed to provide the bond financing numbers.

Mr. Howell next presented and reviewed the attached EMCID Event Facility Market, Financial Feasibility & Impact Analysis Update with the Board.

The Board next considered matters for possible placement on future agendas. The Board concurred to change the February meeting to February 13, 2023.

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

(SEAL)



A handwritten signature in cursive script, appearing to read "Leonard Rogers", written over a horizontal line.

Leonard Rogers  
Asst. Secretary, Board of Directors