

MINUTES OF SPECIAL MEETING
EAST MONTGOMERY COUNTY IMPROVEMENT DISTRICT
November 21, 2022

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 Special Session, open to the public, on the 21st day of November, 2022, at 12:00 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 Director Rogers, thus constituting a quorum.

Also present were Mr. Frank McCrady, Mr. Joe O’Connell, Mr. Ryan Bonifas, Ms. Kelley Mattlage, Ms. Kaye Townley, Mr. Greg Phipps, Mr. John Howell, Mr. Snapper Carr and Mr. David Marks.

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

As the first order of business, the Board deferred comments from members of the audience after noting no members of the public were in attendance.

The Board next considered a discussion relative to the District’s legislation and proposed amendments thereto. Mr. Carr addressed the Board and stated that his partner, Mr. Aghamalian, along with Curt Seidlits, the founder and CEO of Focused Advocacy, LLC (“FA”), who has a deep background in representing cities and other governmental entities will also be working on the legislative program. He stated that FA has been involved in legislation and noted that the District is discussing a program intended to help cities build hotels and meeting spaces. Mr. Carr stated that fifty-four (54) cities are currently involved. He noted that the Texas Legislature has put the responsibility for managing these programs in the hands of the State Comptroller. Mr. Carr stated that FA plans to advocate for the passage of legislation that references the enabling legislation. He stated that the Program will be centered on the community with convention space and will require

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incentives to add hotels. Mr. Carr stated that if the District qualifies, it will receive the State's portion of sales tax generated from within the designated area as well as and the State's portion of the hotel occupancy tax from within the hotel for a period of ten (10) years. He noted that the hotel is a required part of the program and that the District will need to own the land in order to go to the Comptroller.

The Board next considered the approval of the Legislative & Regulatory Affairs Consulting Services Agreement with FA. Mr. Carr discussed the Agreement with the Board. After discussion, Director Carlisle made a motion to approve the Agreement and authorize the President/CEO to execute same. Director Persson seconded the motion, which passed unanimously.

The Board next considered the status of bidding for construction of the Conference Center project. Mr. Phipps stated that he is working with the architects and Mr. Erwin on the RFQ documents but noted that the dates for starting the project have not yet been determined.

The Board next considered a report on the status of the District's financing and issues related thereto. Mr. Howell recommended that the Board consider updating the feasibility study if there is not going to be a hotel in the project. McCrady advised that he has requested the feasibility study and should receive it within a couple of weeks. He stated that once the proposed legislation is passed, hotels will clamor to be the first one that gets built.

Mr. Howell next distributed and reviewed the attached email and schedules. He noted that the District needs control of the land for the hotel for the length of time getting the rebate and that the District needs control of the convention center land and the parking garage land for as long as the bonds are outstanding. Director Wetz stated that the District needs to identify the land, establish the purchase price if the District purchases the land today and compare the cost in 10 and 30 years before a decision is made on whether to own or control the land. Mr. Marks advised of the risks of doing a lease or purchase contract from Signorelli, including issues raised in the event of foreclosure and/or bankruptcy by Signorelli or its lenders, and recommended obtaining fee ownership of the tracts.

The Board next recessed to Executive Session at 2:11 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 2:43 p.m.

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The Board next considered a report on the Economic Development Administration (“EDA”) Business Center Building in the Industrial Park, including the review of bids and authorization of award of a contract for the buildout of Suite A. Mr. Phipps stated that eight (8) bids were received on November 9, 2022, and that the low bid was submitted by G.A.M. Construction, Inc. (“G.A.M.”) with a base bid in the amount of \$978,053.00. He stated that he has verified G.A.M.’s references and recommended that the Board award the contract to G.A.M. After discussion, Director Carlisle moved to approve the award of the contract to G.A.M., as set out above. Director Mullane seconded the motion, which passed, with Director Moore abstaining and advising the Board that a company she owns has submitted a subcontractor proposal to perform the air conditioning work to several of the bidders, including G.A.M.

The Board next considered the approval of an Incentive Agreement (“IA”) with Electronic Technical Services Corporation (“ETS”) relative to the construction of a 40,000 square foot building in the Industrial Park. Mr. McCrady stated that ETS is not happy with cost of the dirt required to build its existing site up and is interested in trading its 11-acre site for a different site in the IP. After discussion, Director Persson made a motion to authorize Mr. McCrady to proceed with a possible land exchange for ETS with the DeLeon property. Director Wetz seconded the motion, which unanimously carried.


The Board next considered approval of a Purchase and Sale Agreement with incentives relative to the sale of approximately 1.7 acres of land to Arcadian Contracting Holding, LLC (“ACH”), including revoking the Board’s prior approval of the Purchase and Sale Agreement with incentives to Arcadian Contracting, LLC (“Arcadian”), and authorizing the Chair and President/CEO to take all actions necessary to close the transaction. After discussion, Director Carlisle made a motion to approve the name change from the previously approved Purchase and Sale Agreement from Arcadian to ACH, as set out above, and authorize the Chair and President/CEO to take all actions necessary to close the transaction. Director Willingham seconded the motion, which passed unanimously.

The Board next considered matters for possible placement on future agendas, including presentation of a check for the fair auction.

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

(SEAL)




Katherine Persson
Secretary, Board of Directors