

MINUTES OF REGULAR MEETING  
EAST MONTGOMERY COUNTY IMPROVEMENT DISTRICT  
March 9, 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 9<sup>th</sup> day of March, 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, 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. Garrett Tabor, Mr. Greg Phipps, Mr. John Howell, Mr. David Marks and Commissioner Matt Gray.

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 Willingham.

As the first order of business, the Board considered questions and comments from members of the audience. Commissioner Gray addressed the Board and discussed future projects and stated that the Montgomery County Commissioner’s Court is requiring all unspent bond funds to be used by November 15, 2023, or noted the money will be reallocated. He further stated that he has several road projects ready to proceed.

The Board next considered the review and approval of the minutes of the Board of Directors meeting held on February 13, 2023. After review and discussion, Director Wetz moved to approve the minutes of the Board of Directors meeting held on February 13, 2023, as written. Director Rogers seconded the motion, which passed unanimously.

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The Board next considered the status of construction of improvements and the leasing of space in The Atrium Center. Mr. McCrady stated that the stairs and air conditioning system have been installed. He stated that all projects are complete with the exception of the security system activation.

The Board next considered a report on the 2022 Holiday to Remember Ice Rink and Winter Festival (“Festival”). Ms. Green presented and reviewed the attached profit and loss statement and Festival surveys with the Board. Mr. McCrady stated that the Festival went well and anticipates having it again in December 2023.

The Board next considered the review and approval of an updated 2022 EMCID Sales Tax Calculations Report to Comply with Agreements with Montgomery County Emergency Services District No. 6 and No. 7 (the “Report”). Mr. McCrady discussed the attached draft Report with the Board. After discussion, Director Wetz moved to approve the Report, as presented. Director Mullane seconded the motion, which passed unanimously.

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 nos. 19863, 19874, 20108 and 20201 being voided; 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.

The Board next considered the approval of a grant for the purchase of banners to honor fallen veterans in Splendor. Mr. McCrady presented the attached Military Banner Program information package and stated that the banners will be made by the veteran organization and will cost approximately \$7,800.00. After discussion, Director Rogers moved to approve a grant for the purchase and installation of the military banners to honor fallen veterans in Splendor, as set out above. Director Wetz 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.

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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 (“Titan”) in the Industrial Park. Mr. Phipps stated that Titan has moved in and that the initial inspection for the office and warehouse was held on February 15, 2023, and noted that several items were found that needed to be corrected. Mr. Phipps stated that a final inspection is scheduled for the week of March 13, 2023, to close out the project. He then presented pay application no. 12 in the amount of \$234,392.95 and recommended that the Board approve the payment of pay application no. 12 to Bey. After discussion, Director Mullane made a motion to approve pay application no. 12 to Bey, as set out above. Director Carlisle seconded the motion, which passed unanimously.

The Board next considered the annual review and adoption of a Resolution Adopting Prevailing Wage Rate Scale for Construction Projects (“Resolution”). Mr. Marks presented the attached survey of the Prevailing Wage Rates for Construction Projects for the Department of Labor and reviewed a Resolution with the Board approving same. After discussion, Director Wetz made a motion to adopt the Resolution based on the Department of Labor rates. 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 the exterior walls and electrical work continue. He then presented pay application no. 14 in the amount of \$281,336.80 and stated that Comex is requesting four (4) weather related days and recommended that the Board approve the payment of pay application no. 14 to Comex and the four (4) weather days. After discussion, Director Willingham moved to approve pay application no. 14 and the four (4) weather days, as set out above. Director Mullane seconded the motion, which passed unanimously.

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 contractor continues to work on the electrical and painting and noted that the doors and finishes have been ordered. He then presented pay application no. 3 in the amount of \$69,611.40 and stated that G.A.M. is not requesting any weather-related days and recommended that the Board approve the payment of pay application no. 3 to G.A.M. After discussion, Director Wetz made a motion to approve pay application no. 3, as set out above. Director Rogers seconded the motion, which passed unanimously.

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

Director Moore entered the meeting at this time.

The Board next deferred the announcements after Mr. McCrady stated he had nothing to report.

Director Persson entered the meeting.

The Board next recessed to Executive Session at 6:04 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 8:38 p.m.

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

The Board next considered the status of the IA with Reds Diesel Repair (“Reds”). Mr. McCrady stated that he has received the executed IA from Reds.

The Board next considered the status of the IA with Generations II Plus LLC (“Generations”). Mr. McCrady stated that the IA was approved at the last meeting and recommended that the Board allow \$17,000 to be used for the new signage at the company’s existing facility and allow the existing sign to remain in place. After discussion, Director Persson moved to allow the \$17,000 to be used for the new sign and allow Generations existing signage to remain in place. Director Carlisle seconded the motion, which passed unanimously.

The Board next deferred the approval of an IA with Keysteel relative to its expansion project.

The Board next deferred the approval of an IA for a proposed project located near the intersection of Hwy. 59 and Hwy. 242.

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.

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The Board next considered the status of the sale of a 127-acre tract of land in the North Industrial Park. 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 approximately 40 acres of additional land for expansion of the Industrial Park.

The Board next deferred the status 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.

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 Purchase and Sale Agreement with incentives relative to the sale of approximately 32.27 acres of land to GCP Paper USA, Inc.

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 approval of a Purchase and Sale Agreement with incentives relative to the sale of land in the Industrial Park to Doloeco USA, including authorizing the Chair and President/CEO to take all actions necessary to close on the transaction.

The Board next considered the status of development of the 64-acre park, including the review and approval of proposals from Landscape Architects for design of the park. Mr. Phipps stated that RFQ's submittals for landscape architects are due on March 29, 2023.

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) report on the status of agreement for construction, financing and use of the parking garage; c) 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; d) review of bids and authorize award of contract for the extension of waterlines, sanitary sewer lines, drainage and roads; e) status of request for qualifications of construction contractors relative to the conference center; and f) status of request for proposals of construction contractors relative to the conference center. Mr. Phipps stated that the design plans are with Montgomery County and the City of Houston for approval. He noted that step 1 of the request for quote ("RFQ") process is complete and that three (3) qualified firms have submitted their RFQ's. Mr. Phipps recommended that the Board accept all three RFQ's and authorize participation in the request for proposal ("RFP") process by the three (3) firms. After discussion, Director Persson moved to accept the three (3) RFQ's and authorize

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the engineer to invite the three (3) firms to submit an RFP. Director Mullane seconded the motion, which passed unanimously.

The Board next considered a report relating to the conference center, including: a) discussion regarding the updated conference center feasibility report; b) authorizing retaining of real estate special counsel relative to the acquisition, leasing and/or ground leasing of the property for the project; c) the status of the land acquisition for the conference center, parking garage, hotel and extension of infrastructure, including review of land appraisal; and d) the status of the agreement for construction of the parking garage. Mr. Marks presented a proposal from Wilson Cribbs & Goren (“WCG”) for real estate special counsel relative to the acquisition, leasing and/or ground leasing of the property for the project. After discussion, Director Carlisle moved to approve the proposal from WCG, as set out above. Director Mullane seconded the motion, which passed unanimously. Mr. McCrady next reported that a contract is in process relative to land acquisition for the conference center project and parking garage. He next reported that funds will be included in the bond issue to pay for the acquisition of the land and the construction of the parking garage.

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 reviewed the attached revised bond cost summary and related spreadsheet with the Board.

The Board next considered the review of a proposal relative to the renewal of the District’s insurance coverage for the term expiring March 31, 2023. Mr. O’Connell presented the proposal from Gallagher (W.I.N.) and recommended that the Board renew its coverage with Gallagher for commercial general liability and hired car and non-ownership automobile liability, pollution liability, directors and officer’s liability, cyber liability, cyber security, umbrella, public employee blanket crime, directors position bond, worker’s compensation, and business travel accident coverage scheduled to expire on March 31, 2024. After discussion, Director Wetz moved to renew the existing coverages provided by Gallagher and authorize Mr. McCrady to execute the various coverage proposals. Director Carlisle seconded the motion, which passed unanimously.

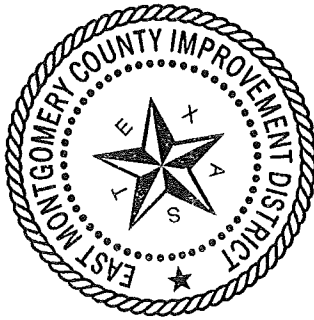
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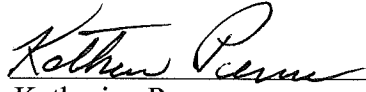
The Board next deferred the review of a proposal from TML for property and comprehensive boiler and machinery coverage, after Mr. O'Connell stated that he has not yet received the renewal proposal.

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)



  
Katherine Persson  
Secretary, Board of Directors