

MINUTES OF REGULAR MEETING  
EAST MONTGOMERY COUNTY IMPROVEMENT DISTRICT  
June 8, 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 8<sup>th</sup> day of June, 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 Director Moore, thus constituting a quorum.

Also present were Mr. Frank McCrady, Mr. Joe O’Connell, Ms. Kelley Mattlage, Ms. Jennifer Summer Green, Mr. Garrett Tabor, Mr. Greg Phipps, Mr. Brian Lopera, Mr. David Marks and several others as shown on the attached sign-in sheet.

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

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

As the first order of business, the Board considered the execution of the Community Development Grant Agreements and the presentation of the Community Development Grants. Chairperson Webb executed the Community Development Grant Agreements and presented the grant checks to the applicants.

The Board next considered questions and comments from members of the audience. Mr. Murray with the East Montgomery County Sports Association addressed the Board and reported on the upcoming Texas Dixie Youth Baseball Tournaments being held in East Montgomery County.

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The Board next considered the approval of the Fourth Amended and Restated Agreement between the District and the Greater East Montgomery County Chamber of Commerce (“GEMCCC”) regarding the funding for certain GEMCCC programs and activities. Mr. McCrady discussed the District’s funding of the GEMCCC and its use of funds. After discussion, Director Persson moved to approve the Agreement providing for funding to the GEMCCC in the amount of \$100,000 per year for the next three (3) years. 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 May 11, 2023, and May 18, 2023. After review and discussion, Director Persson moved to approve the minutes of the Board of Directors meetings held on May 11, 2023, and May 18, 2023, as written. Director Wetz seconded the motion, which passed unanimously.

The Board next considered the engagement of an auditor to prepare the District’s audit report for the fiscal year ending June 30, 2023. Mr. Lopera presented to the Board an engagement letter from McCall Gibson Swedlund Barfoot PLLC (“McCall”) and stated that the projected fees to prepare the District’s audit are estimated at \$35,000. He then stated that the projected fees to prepare the audit reports for the East Montgomery County Improvement District Economic Development Zone Nos. 1, 2, 3, and 4 (the “Zones”) are estimated at \$7,500 and presented the executed Form 1295 for the Board’s review. After discussion on the matter, a motion was made by Director Rogers and seconded by Director Mullane, which passed unanimously, that the Board engage McCall to prepare the District’s audit report and the audit reports for the Zones for the fiscal year ending June 30, 2023.

The Board next considered the status of construction of improvements and the leasing of space in The Atrium Center. Mr. McCrady stated that there are no major maintenance issues to discuss.

The Board next considered the financial, bookkeeping, cash flow and investment reports, and authorizing the payment of invoices presented as reflected in said reports. Mr. Tabor 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. 20346 being voided; the Special Events Account, debits for payroll and wire transfers, as set forth on the attached reports. Director Mullane seconded the motion, which passed unanimously.

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The Board next deferred the adoption of an operating budget for the fiscal year ending June 30, 2024.

The Board next deferred authorizing 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.

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 dirt is being sold for use at the new No. 3 wastewater treatment plant.

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 Comex is completing the exterior finish. He stated that the Fire Marshal inspection was held on May 26, 2023, and a temporary occupancy permit was granted. Mr. Phipps further noted that no pay estimates were received during the month.

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 has completed the project, with the exception of a few punch list items. He stated that the Fire Marshal inspection was held on May 26, 2023, and a temporary occupancy permit was granted. He then presented pay application no. 6 in the amount of \$145,963.86 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. 6 to G.A.M. After discussion, Director Carlisle made a motion to approve pay application no. 6, as set out above. Director Willingham 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.

The Board next considered announcements, and Mr. McCrady reviewed the attached Calendar of Events.

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The Board next recessed to Executive Session at 6:03 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 7:37 p.m.

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 he has received the executed IA from the Bank and that the item can be removed from the agenda.

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

The Board next considered the status of the Third Amendment to IA between the District and Amazing One Holdings (“Amazing One”) for an additional contract extension. Mr. McCrady stated that he has received the executed IA from Amazing One and that the item can be removed from the agenda.

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 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 (“PSA”) relative to the purchase of approximately 40 acres of additional land for expansion of the Industrial Park.

The Board next considered the status of a PSA relative to the purchase of approximately 18.92 acres of additional land for expansion of the Industrial Park North. Mr. McCrady stated that he is meeting with the seller tomorrow to negotiate a deal.

The Board next considered the status of a PSA with incentives relative to the sale of approximately 32.27 acres of land to GCP Paper USA, Inc. (“GCP”). Mr. McCrady stated that PSA is complete and was delivered to GCP this afternoon for review and execution. He stated it may be several weeks before he receives the executed PSA from GCP.

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The Board next deferred the approval of a PSA 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 the PSA with incentives relative to the sale of land in the Industrial Park to Tiro Machine Shop, Inc. (“Tiro”), or assignee. Mr. McCrady stated that the PSA is complete and will be delivered to Tiro for review and execution.

The Board next deferred the status of the PSA with incentives relative to the sale of land in the Industrial Park to the Innovation Group/American Western Steel, LLC, or assignee.

The Board next considered the status of the PSA with incentives relative to the sale of land in the Industrial Park to FAMTi, or assignee. Mr. McCrady stated that FAMTi will now be leasing land in the Industrial Park from the District instead of purchasing a tract.

The Board next considered the status of the PSA with incentives relative to the sale of land in the Industrial Park to KBC Advisors (“KBC”). Mr. McCrady stated that the sale offer with KBC is pending.

The Board next deferred the approval of a PSA with incentives relative to the sale of land in the Industrial Park to Specialty Petroleum Products, or assignee, 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 he is working with the architect on the request for a proposal for consideration by the Board.

The Board next considered the status of the Interlocal Agreement with Montgomery County (the “County”) for the Advanced Funding and Construction of Sorters McClellan Road. Mr. McCrady stated that the Agreement is pending with the County.

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) review and approval of a contract with Spaw-Glass Construction Corporation (“Spaw-Glass”) for construction of the conference center; f) status of land acquisition for conference center, parking garage, hotel and extension of infrastructure, including review of land appraisal; and g) status of

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Option Agreement for the purchase of a 3.2-acre tract for the hotel to serve the conference center. Mr. Phipps stated that the design plans are with the County for review and approval and that the contract negotiations are on-going with Spaw-Glass. He stated that he is meeting with the architect and the contractor on June 19<sup>th</sup> and 20<sup>th</sup> to review all aspects of the building, products, substitutes and methods that may lead to cost savings. Mr. McCrady further reported that the contract for the purchase of the conference center and parking garage land is with the Seller for review.

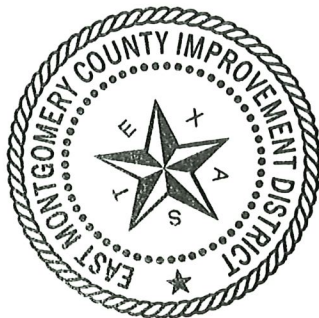
The Board next deferred a report from the District's financial advisor relating to the general plan of financing the bonds required to pay the costs of land acquisition, design, construction and furnishing of the conference center and the costs associated therewith, including: a) the sources and uses 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 regarding rating of the bonds.


The Board next considered the approval of the destruction of notes of Board of Directors meetings through February 2023, in accordance with the District's Records Retention Schedule for General Records. Director Persson, as the District's records management officer, presented the attached list of records and advised that the time limitations for retention had passed for all records listed, that, to the best of her knowledge and belief, none of the records' subject matter was pertinent to a pending lawsuit, and that there were no open records requests pending with respect to any of the records. After discussion, Director Persson made a motion to authorize the destruction of said notes as requested and in accordance with the provisions of the District's Records Management Program and said Schedule. Director Mullane seconded the motion, which passed unanimously.

The Board next considered matters for possible placement on future agendas, including conducting a Board re-treat on June 20, 2023 at 12:00 p.m.

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

(SEAL)



  
Katherine Persson  
Secretary, Board of Directors