

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

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 Regular Session, open to the public, on the 12th day of October, 2023, at 12:00 noon, 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 Green, Mr. Zevin Starks, Mr. Garrett Tabor, Mr. Greg Phipps and Mr. David Marks.

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 led by Director Mullane.

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.

Director Carlisle entered the meeting.

The Board next considered the review of Community Development Grant Requests. Mr. McCrady advised that eighteen (18) grant requests totaling \$87,767.13 had been submitted for consideration. He stated that the Board would review the requests and provide an opportunity for each grant applicant to make a five (5) minute presentation to the Board, but action on the requests would be taken at the November regular meeting and the funding of the grants will occur at the December meeting.

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The Board next reviewed the request of the Boy Scout Troop 1011 relative to funding \$5,000.00 to send twenty-six (26) scouts to a weeklong summer camp at Camp Strake in Coldspring, Texas. Mr. Barnhill addressed the Board relative to the request. Mr. McCrady noted that TEC Form 1295 has been received and that there are no matching funds as this is a mini grant request.

The Board next reviewed the request of the City of Roman Forest relative to funding \$4,227.19 to purchase five (5) stun guns, plus helmets, ammunition and training. Sgt. Jasonis addressed the Board relative to the request. Mr. McCrady noted the TEC Form 1295 is not required.

The Board next reviewed the request of the Crisis Assistance Center dba Community Assistance Center (“CAC”) relative to funding \$5,000.00 out of a total project cost of \$3,381,654 to provide funds for rent, mortgage and utility assistance services with a minimum of \$200 per household for East Montgomery County residents (directly impacting around 80 individuals, with an average of 4 persons per household). Ms. Frost addressed the Board relative to the request and noted that the CAC is providing the remaining funds. Mr. McCrady noted that TEC Form 1295 has been received.

The Board next reviewed the request of Dora’s Dawgs and Katz relative to funding \$5,000.00 to purchase and install artificial turf in the play yards at the dog rescue facility. Ms. LaBorde addressed the Board relative to the request. Mr. McCrady noted that TEC Form 1295 has been received and that there are no matching funds as this is a mini grant request.

The Board next reviewed the request of the East Montgomery County Swim Team relative to funding \$5,000.00 to purchase radios, timers and computer equipment. Ms. Gunter addressed the Board relative to the request. Mr. McCrady noted that TEC Form 1295 has been received and that there are no matching funds as this is a mini grant request.

The Board next reviewed the request of East Texas Dream Center (“East Texas”) relative to funding \$5,000.00 of a total project cost of \$5,401.40 to purchase a computer lab. Mr. Mason addressed the Board relative to said request and noted that East Texas is providing the remaining funds. Mr. McCrady noted that TEC Form 1295 has been received.

The Board next reviewed the request of the First United Methodist Church Splendora relative to funding \$5,000.00 to purchase food for the food pantry and vouchers. Ms. Reed addressed the Board relative to said request. Mr. McCrady noted that TEC Form 1295 has been received.

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The Board next reviewed the request of the Kailee Mills Foundation (“Foundation”) relative to funding \$5,000.00 of a total project cost of \$25,000.00 to implement a Seat Belt Safety Awareness Program in 3-4 elementary schools located in New Caney ISD. Ms. Belinaski addressed the Board relative to said request and noted that the Foundation is providing the remaining funds. Mr. McCrady noted that TEC Form 1295 has been received.

The Board next reviewed the request of Knights of Columbus Council #13166 relative to funding \$5,000.00 to purchase a new refrigerator for the parish hall/community center. Mr. Motoyer addressed the Board relative to said request. Mr. McCrady noted that TEC Form 1295 has been received and that there are no matching funds as this is a mini grant request.

The Board next reviewed the request of New Caney New Horizons relative to funding \$4,259.94 to purchase two (2) new refrigerators. Ms. Lindsey addressed the Board relative to the request. Mr. McCrady noted that TEC Form 1295 has been received and that there are no matching funds as this is a mini grant request.

The Board next reviewed the request of OnPoint Rescue relative to funding \$4,280.00 to purchase a new outboard motor for its water rescue boat. Mr. Hackl addressed the Board relative to the request. Mr. McCrady noted that TEC Form 1295 has been received and that there are no matching funds as this is a mini grant request.

The Board next reviewed the request of the Porter Spartan Women Basketball Boosters Inc. (“PSWBB”) relative to funding \$5,000.00 of a total project cost of \$6,500.00 to purchase a new basketball shooting machine. Ms. Seybert addressed the Board relative to the request and noted that the PSWBB is providing the remaining funds. Mr. McCrady noted that TEC Form 1295 has been received.

The Board next reviewed the request of Society of St. Stephen (“Society”) relative to funding \$5,000.00 of a total project cost of \$15,000.00 for financial utility assistance. Ms. Mashburn addressed the Board relative to said request and noted that the Society is providing the remaining funds. Mr. McCrady noted that TEC Form 1295 has been received.

The Board next reviewed the request of Splendora High School Culinary Arts department (“SHSCA”) relative to funding \$5,000.00 of a total project cost of \$12,500.00 to purchase a 19-foot single axle competition barbecue trailer. Ms. Anderson addressed the Board relative to the request and noted that SHSCA have raised the remaining funds. Mr. McCrady noted that TEC Form 1295 has been received.

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The Board next reviewed the request of Splendora High School Project Graduation (“SHSPG”) relative to funding \$5,000.00 to pay the costs associated with the Project Graduation venue. Ms. McClellan addressed the Board relative to the request and noted that SHSPG hopes to raise \$65,000 and will provide the remaining funds. Mr. McCrady noted that TEC Form 1295 has been received.

The Board next reviewed the request of The Woodlands Dog Park Club DBA Lone Star Animal Welfare League (“WDPC”) relative to funding \$5,000.00 to fund four (4) days of the Spay/Neuter Mobile Clinic and 2 days of the Senior Pet Pantry in East Montgomery County. Ms. McConnell addressed the Board relative to said request and noted that WDPC has spayed/neutered approximately 3,000 animals in East Montgomery County. Mr. McCrady noted that TEC Form 1295 has been received.

The Board next reviewed the request of Timber Lakes Elementary PTO (“PTO”) relative to funding \$5,000.00 out of a total project cost of \$9,949.00 to purchase the Variquest Cutout Maker for the PTO and staff. Ms. Kesner addressed the Board relative to the request noted that Dogwood is providing the remaining funds. Mr. McCrady noted that TEC Form 1295 has been received.

The Board next reviewed the request of the Veterans of Foreign Wars Post 4816 (“Post 4816”) relative to funding \$5,000.00 of a total project cost of \$13,900.00 to replace the large main currently rusted duct work for two (2) of the four (4) existing 7.5-ton air conditioning (heating and cooling) packs used to serve the Post’s main social hall. Ms. Prisk addressed the Board relative to said request and noted that Post 4816 providing the remaining funds. Mr. McCrady noted that TEC Form 1295 has been received.

The Board next took a short recess and reconvened at 1:35 p.m.

The Board next considered the review and approval of the minutes of the Board of Directors meeting held on September 19, 2023. After review and discussion, Director Persson moved to approve the minutes of the Board of Directors meeting held on September 19, 2023, as written. Director Rogers seconded the motion, which passed unanimously.

The Board next deferred the approval of an audit report for the fiscal year ended June 30, 2023, until the November meeting.

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The Board next considered authorizing the 2023 Constable patrol security program at shopping centers located within the District during the holiday season. Constable Hayden discussed the experiences of the 2022 security program. Chief Deputy Welch next reviewed the attached handout and requested that the District partner with the Constable's office. He discussed the yearly program and distributed a proposal for security and patrol to be provided beginning Monday, November 15, 2023 through Saturday, January 15, 2024, and is requesting a budget increase to \$120,000-\$125,000 for the program. After discussion, the Board deferred action until later in the meeting.

The Board next considered the status of the construction of improvements and the leasing of space in the Atrium Center. Mr. McCrady stated that he had nothing new to report in connection with the Atrium Center.

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 of the reports, 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. 6096 and 7100 being voided; Plains Kingwood Detention Account; Special Events Account, debits for payroll and wire transfers, as set forth on the attached reports. Director Mullane seconded the motion, which passed unanimously.

The Board next deferred the review and approval of a budget for the Holiday to Remember Ice Rink and Winter Festival until later in the meeting.

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 the District is selling dirt to East Montgomery County MUD No. 3 ("No. 3") for use at No. 3's new wastewater treatment plant and that a final invoice will be presented when the job is complete.

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 work related to overhead doors, manway doors, concrete stabilized laydown yard and the additional parking spaces is ongoing. He stated that no pay application was received during the month.

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

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The Board next considered the status of development of the 64-acre park, including the review and approval of a formal agreement for services with Burditt Consultants, LLC (“Burditt”) for design of the park. Mr. Phipps stated that development of the initial improvements and the conceptual overall park use plan has begun. He stated that the conceptual layouts will be presented for consideration and review prior to construction plan development.

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 Option Agreement for the purchase of a 3.2-acre tract for the hotel to serve the conference center. Mr. Phipps stated that the construction plans are being reviewed by HHCP Architects (“HHCP”) and the subcontractors for potential changes to meet the project budget. He stated that he has had several meetings with the Valley Ranch Entertainment District (“VRED”) team relative to the location and land requirements for the proposed conference center and garage. Mr. Phipps noted that the master plan for the VRED paving and utility infrastructure is being reviewed to assure the District’s requirements are met. He stated that he anticipates the final building location to be completed in the coming weeks. Mr. Phipps further noted that bi-weekly meetings are being held with Spaw-Glass, HHCP and JAC to work through the building changes as they become available.

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

The Board next recessed to Executive Session at 2:17 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. The Board returned from Executive Session at 4:06 p.m.

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The Board next re-considered authorizing the 2023 Constable patrol security program at shopping centers located within the District during the holiday season. After discussion, Director Carlisle made a motion to increase the District's budgeted amount from \$80,000 last year to a maximum of \$100,000 for the 2023 patrol program. Director Persson seconded the motion, which passed unanimously.

The Board next considered the status of economic development Incentive Agreements ("IA"), including the approval of an IA for a proposed project located near the intersection of Hwy. 59 and State Highway 242. Mr. McCrady stated that the IA is with the developer for execution.

The Board next considered the status of the IA's with LB Consolidated, LLC d/b/a Popeye's; BurgerWorks Texas LLC d/b/a Whataburger; and BCS Capital Group. Mr. McCrady stated he is working with the City of Splendora on a tax abatement.

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 considered the status of a Purchase and Sale Agreement ("PSA") relative to the purchase of approximately 40 acres of additional land for expansion of the Industrial Park. Mr. McCrady stated that the documents are with the title company and the transaction is scheduled to close on November 15, 2023.

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 the transaction is scheduled to close in November or December.

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. Mr. McCrady stated that the sale documents are at the title company and the transaction is scheduled to close mid-November.

The Board next considered the status of a PSA with incentives relative to the sale of land in the Industrial Park to Eagle Industries ("EI"). Mr. McCrady stated that he is working on a contract with EI.

The Board next considered the status of the PSA with incentives relative to the sale of 1.98 acres of land in the Industrial Park to Tiro Machine Shop, Inc., ("Tiro") or assignee. Mr. McCrady stated that the documents are with the title company and the transaction is scheduled to close in approximately two weeks.

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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 deferred the approval of a Lease Agreement relative to the lease of land in the Industrial Park to FAMTi, or assignee.

The Board next deferred the status of a PSA with incentives relative to the sale of land in the Industrial Park to KBC Advisors.

The Board next considered the approval and execution of a Letter of Intent (“LOI”) with MTR, Inc., or its assignees. Mr. McCrady reviewed the LOI with the Board and presented the executed Form 1295 from MTR. After discussion, Director Persson moved to approve the LOI for the purchase of 13 acres up to 18 acres, depending on the size of the tract. Director Carlisle seconded the motion, which passed unanimously.

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 execution with the County.

The Board next deferred the status of a contract for the purchase of land for the conference center, parking garage, and extension of infrastructure, and an option agreement for the purchase of a tract for the hotel to serve the conference center.

The Board next deferred a report from the District’s financial advisor relating to the general plan of financing of 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 matters for possible placement on future agendas, including moving the November meeting to November 3, 2023 at 12:00 noon.

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

(SEAL)




Katherine Persson
Secretary, Board of Directors