

MINUTES OF REGULAR MEETING
EAST MONTGOMERY COUNTY IMPROVEMENT DISTRICT
November 3, 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 3rd day of November, 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, except Director Moore, thus constituting a quorum.

Also present were Mr. Frank McCrady, Mr. Joe O’Connell, Mr. Garrett Tabor, Mr. Greg Phipps, Ms. Kara Richardson 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 Rogers 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.

The Board next considered the Community Development Grant funding requests and the taking of action to award or deny the grant requests. Chair Webb called roll to confirm that all of the applicant representatives were present. Director Wetz then moved to approve the grant funding as requested on the attached spreadsheet for the following applicants: Boy Scout Troop 1011, City of Roman Forest, Crisis Assistance Center DBA Community Assistance Center, Dora’s Dawgs and Katz, East Montgomery County Swim Team, East Texas Dream Center, First United Methodist Church Splendora, Kailee Mills Foundation, Knights of Columbus Council #13166, New Caney New Horizons, OnPoint Rescue, Porter Spartan Women Basketball Boosters Inc., Society of St. Stephen, Splendora High School Culinary Arts department, Splendora High School

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Project Graduation, The Woodlands Dog Park Club DBA Lone Star Animal Welfare League, Timber Lakes Elementary PTO, and Veterans of Foreign Wars Post 4816 Porter, Texas. Director Willingham seconded the motion, which passed unanimously. Chair Webb then thanked all of the members of the community and the grant applicants for their continued support in and around the community.

The Board next deferred the review and approval of the minutes of the Board of Directors meeting held on October 12, 2023, until the December next meeting.

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

The Board next deferred the status of the Sales Tax Agreements with Montgomery County ESD No. 6 and Montgomery County ESD No. 7, until the December meeting.

The Board next considered the status of the 2023 Constable patrol security program at shopping centers located within the District during the holiday season. Mr. McCrady stated that the security patrol program will begin on November 15, 2023. Chair Webb explained to the members of the audience that the yearly program provides extra security patrols in the shopping areas located within the District during the holiday season.

The Board next considered the status of the construction of improvements and the leasing of space in the Atrium Center. Mr. McCrady stated that a few repairs are currently being performed to the back steps to comply with Fire Marshal requirements.

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. Director Webb stated that she really appreciates the new booking report format. 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 no. 6738 being voided, 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 after Mr. McCrady stated that he is finalizing a few items and will have the proposed budget ready for review and approval at the December 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 he had nothing new to report this month.

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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 status of the contract with Comex Corporation (“Comex”) for construction of the EDA building. Mr. Phipps stated that work related to the installation of the additional manway doors, the additional 31 parking spaces and the concrete stabilized laydown yard at the east end of the building is complete. He stated that the overhead doors at the east end of the building have been ordered, and the door ramps are being prepared for concrete. He stated that he did not receive a pay application this past 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.

The Board next considered announcements, and Mr. McCrady reviewed the attached Calendar of Events. Chair Webb then thanked Platinum Enterprises for putting together the great Halloween event and noted that the event had over 5,000 attendees.

Director Persson entered the meeting.

The Board next recessed to Executive Session at 12:15 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 2:12 p.m.

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 with LB Consolidated, LLC d/b/a Popeye’s. Mr. McCrady stated that the IA is with the developer for execution.

The Board next considered the status of the IA with BurgerWorks Texas LLC d/b/a Whataburger (“BurgerWorks”). Mr. McCrady stated that he has received the executed IA from BurgerWorks and stated that the item can be removed from the agenda.

The Board next considered the status of the IA with BCS Capital Group. Mr. McCrady stated that the IA is with the developer for execution.

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The Board next considered a report on the activities within the Industrial Park.

The Board next considered the status of contracts for the purchase of land for expansion of the Industrial Park. Mr. McCrady stated that the McClaren property is currently under contract.

The Board next deferred the status of the sale of a 127-acre tract of land in the North Industrial Park after Mr. McCrady stated that he continues to negotiate the sale.

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 in November.

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 documents are with the title company, and the transaction is scheduled to close in 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 with 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 forwarded the contract to EI last week for execution.

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., or assignee. Mr. McCrady stated that the documents are with the title company and the transaction is scheduled to close in November.

The Board next considered 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. Mr. McCrady stated that the District will let the contract expire, as the entity is developing elsewhere.

The Board next deferred the approval of a Lease Agreement relative to the lease of land in the Industrial Park to FAMTi, or assignee, as Mr. McCrady stated that he is meeting with the representatives of FAMTi next week.

The Board next considered the status of a PSA with incentives relative to the sale of land in the Industrial Park to KBC Advisors. Mr. McCrady stated that he is negotiating with its attorneys.

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The Board next considered the status of the Letter of Intent (“LOI”) with MTR, Inc., or its assignees. Mr. McCrady stated that there is an agreement with the LOI, and that the property owner has hired a site consultant to investigate available incentives from other entities. He noted that the District’s piece is complete.

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 the agreement has been approved and executed. He noted that the 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 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 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. Mr. Phipps stated that he attended a meeting on October 30, 2023, with HHCP Architects (“HHCP”) and Spaw-Glass Construction Corporation (“Spaw-Glass”) to discuss items identified in the project that may result in cost savings to meet the overall project budget. He stated that HHCP is visiting with each design subconsultant to determine what impacts, if any, the relocation of the building may have on the plan package and the requirements to implement the value engineering items into the construction documents.

The Board next considered a report on the status of agreement for construction, financing and use of the parking garage. Mr. Phipps stated that the garage is currently part of the overall project scope of the conference center. He stated that the garage construction methods were discussed with Spaw-Glass at the October 30th meeting, including the design, cost and construction benefits of pre-cast construction versus cast-in-place construction. Mr. Phipps noted that HHCP is also discussing the garage with design subconsultants to determine the method that provides the best benefit to the District. He then presented an agreement for the revised garage design for consideration, along with the executed Form 1295. He noted that the planning and design of the garage are being carefully considered based on the short and long-term parking requirements while assuring the construction costs do not exceed the budget. After discussion, Director Mullane moved to approve the contract with HHCP for design of the parking garage, as set out above. Director Persson seconded the motion, which passed unanimously.

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The Board next considered the status of the contract with Spaw-Glass for construction of the conference center. Mr. Phipps stated 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 deferred the following: 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; 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.

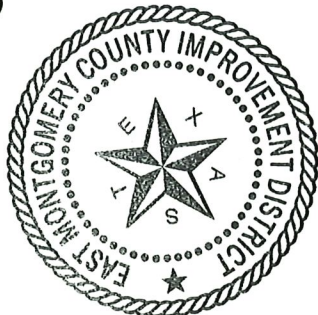
The Board next considered the status of a contract for the purchase of land for the conference center, parking garage, and extension of infrastructure, and an option agreement for the purchase of a tract for the hotel to serve the conference center. Mr. McCrady stated that the site designation is down to only 3.74 feet of discrepancy.


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. The Board stated that a Veterans Day event will be held on Saturday at 12:00 noon in Splendora and noted that the District funded the flags for the event.

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

(SEAL)




Katherine Persson
Secretary, Board of Directors