

MINUTES OF REGULAR MEETING  
EAST MONTGOMERY COUNTY IMPROVEMENT DISTRICT

May 7, 2024

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 7<sup>th</sup> day of May, 2024, 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, Ms. Dawn Humphrey, Mr. Garrett Tabor, Mr. Greg Phipps, Mr. Marty Murray, Chief Welch, Mr. David Marks, Ms. Brandi Eckersley and others as reflected 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 Willingham.

As the first order of business, the Board considered receiving questions and comments from members of the audience. Mr. Hackel with On Pointe Rescue (“On Pointe”) thanked the Board and stated that due to the grant from the District, On Pointe was able to rescue and save over 100 families during the recent rain/flooding event. He stated that On Pointe has also delivered five (5) semi-truck loads of food to the residents most affected by the storm.

The Board next considered the review and approval of the minutes of the Board of Directors meetings held on March 7, 2024, April 11, 2024 (12:00 noon), and April 11, 2024 (5:30 p.m.). After review and discussion, Director Wetz moved to approve the minutes of the Board of Directors meeting held on March 7, 2024, April 11, 2024 (12:00 noon), and April 11, 2024 (5:30 p.m.), as written. Director Mullane seconded the motion, which passed unanimously.

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The Board next considered the review of Community Development Grant Requests. Mr. McCrady stated that all grant application representatives were in attendance at the meeting and that he recommended funding all twenty (20) grant requests. After discussion, Director Carlisle made a motion to approve all twenty (20) of the grant application requests, as presented. Director Rogers seconded the motion, which passed unanimously.

Ms. Jill Bonllion, with the Bayou Land Conservatory, next presented a slide show presentation and discussed the community funded, not for profit land conservation organization with the Board. She stated that the organization works with willing landowners to protect land along streams and is interested in acquiring additional land to preserve.

Director Persson entered the 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. Chief Welch and Lt. Luza presented the attached Safe Shopper recap and video report to the Board. Chief Welch stated that the program began on November 15, 2023, and ended on January 15, 2024 and noted the Montgomery County Constables Pct. 4 ("Constables") responded to 526 dispatched calls and performed 5,903 building checks during the program period. He further stated that the Constables arrested 5 individuals involved in a bank jugging case, arrested 164 shoplifters, made 78 felony arrests and 83 misdemeanor arrests. Chief Welch then requested that the Board consider starting the program at the beginning of November and requested an increase in the program budget.

The Board next deferred the status of the construction of improvements and the leasing of space in the Atrium Center until later in the meeting.

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. 21107, 21114, 21160 and 21164 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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Mr. Tabor next presented and reviewed with the Board the attached Quarterly Investment Report (“QIR”), which had been prepared by Municipal Accounts & Consulting, LP, for the reporting period ending March 31, 2024. After review, Director Wetz moved to approve the District's QIR and to authorize the Investment Officer to execute same on behalf of the Board and District. Director Mullane seconded the motion, which passed unanimously.

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.

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 CBuilders, LLC (“CBuilders”) for construction of a laydown yard to serve Future Frame (Suite D). Mr. Phipps reported that the work is complete, and presented pay application no. 1 (final), in the amount of \$263,920.00, and noted that CBuilders is not requesting any weather-related days and recommended that the Board approve the payment of pay application no. 1 (final) to CBuilders and accept the project as complete. After discussion, Director Carlisle moved to approve pay application no. 1 to CBuilders and accept the project as complete, as set out above. Director Mullane seconded the motion, which passed unanimously.

The Board next considered the status of the contract with Bey Commercial Construction (“Bey”) for the build-out of Suite B (1,529 SF) in the EDA Building. Mr. Phipps reported that the final close-out items are being addressed and the Fire Marshall Inspection will be requested on May 14, 2024. He stated that the tenant walk-through is scheduled for the week of May 13, 2024. Mr. Phipps then presented pay application no. 3, in the amount of \$78,286.32, and noted that Bey is not requesting any weather-related days and recommended that the Board approve the payment of pay application no. 3 to Bey. After discussion, Director Persson moved to approve pay application no. 3 to Bey, as set out above. Director Willingham seconded the motion, which passed unanimously.

The Board next deferred the approval of other matters relating to the EDA Building.

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

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The Board next recessed at 6:16 p.m. The Board convened in Executive Session at 6:52 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 reconvened in Open Session at 7:58 p.m.

The Board next considered the status of the construction of improvements and the leasing of space in the Atrium Center (the “Building”). Mr. Murray presented and reviewed the attached Roof Leak Report with the Board. He stated that during the recent heavy rain event, the Building experienced 23 total leaks, with 10 leaks occurring downstairs and 13 leaks occurring upstairs. He stated that the District has hired three (3) different roofing companies in the past six (6) years, and unfortunately, there is no warranty on the existing roof due to the number of roofing companies that have made various repairs over the years. Mr. Murray stated that his team is working to repair the minor leaks and that he will obtain proposals for the remaining leaks for the Board’s review. Director Persson thanked Mr. Murray and his team for their quick actions.

The Board next considered authorizing Mr. McCrady to issue a letter of intent (“LOI”) to A.J. Mechanical, as discussed in the executive session. After discussion, Director Carlisle authorized Mr. McCrady to issue a LOI to A.J. Mechanical. Director Mullane 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 he had nothing new to report.

The Board next considered the status of the IA with LB Consolidated, LLC d/b/a Popeye’s. Mr. McCrady stated that he is waiting on receipt of the executed IA from Popeye’s.

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.

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.

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The Board next considered the status of a Purchase and Sale Agreement (“PSA”) with incentives relative to the sale of land in the Industrial Park to Eagle Industries (“Eagle”). Mr. McCrady stated that the company is no longer interested in purchasing land in the Industrial Park and stated that the item can be removed from the agenda.

The Board next deferred the approval of a Lease Agreement relative to the lease of land in the Industrial Park to FAMTi, or assignee, after Mr. McCrady stated that the company is finalizing its equipment purchase to determine the size of building it will require.

The Board next considered the status of a PSA with incentives relative to the sale of land in the Industrial Park to B6 Industries or its assignees. Mr. McCrady stated that the company changed its name again and that Mr. Phipps is working on the acreage/site layout for the proposed development.

The Board next deferred the approval of a PSA with incentives relative to the sale of land in the Industrial Park to New Caney Beverage or assignees, after Mr. McCrady stated that he had nothing new to report.

The Board next considered the status of a PSA with incentives relative to the sale of land in the Industrial Park to P&S Properties LLC or its assignees, after Mr. McCrady stated that Mr. Baskin, with the law firm of Wilson, Cribbs & Goren (“WCG”), the District’s real estate attorney, is in the process of preparing the PSA.

The Board next deferred the status of modifications to the agreement and related documents with Gates Lubricants after Mr. McCrady stated that he had nothing new to report.

The Board next considered the status of an amendment to the Lease Agreement with Hydra Specma (formerly YMER Building). Mr. McCrady stated that WCG is in the process of preparing the amendment.

The Board next considered the status of a Petition to East Montgomery County MUD No. 3 (“No. 3”) to annex a 34.2964-acre tract (McClarren), 18.92-acre tract (Pak), 1.3383-acre tract (Quinn), and a 1-acre tract (Nichols). Mr. Marks stated that No. 3 has authorized proceeding with the proposed annexation of the four (4) tracts, subject to receipt of a \$15,000 deposit and required documents from the District.

The Board next considered the status of development of the 64-acre park, including the status of the agreement for services with Burditt Consultants, LLC (“Burditt”) for design of the park. Mr. Phipps stated that Burditt is in the process of addressing concerns and suggestions raised by the Board during the slide show presentation of the proposed Phase I of the park development presented to the Board at the March 20, 2024, meeting.

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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 bi-weekly meetings with HHCP Architects (“HHCP”), Spaw-Glass Construction Corporation (“Spaw-Glass”) and JAC are held to discuss numerous project items, including value engineering (“VE”) items, specifications and material/equipment requirements and constructability items.

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 included in the overall project scope of the conference center and is being considered in the overall project scope of SpawGlass.

The Board next considered the status of approval of reimbursement agreement with overlapping entities for reimbursement of the costs of water, sanitary sewer, drainage and road facilities to serve the conference center. Mr. Phipps stated that the reimbursement agreement is being negotiated as part of the land purchase.

The Board next deferred the review of bids and authorization of an award of contract for the extension of waterlines, sanitary sewer lines, drainage and roads to serve the conference center. Mr. Phipps noted that the schematic design of the roads and the utilities that will serve the conference center have been finalized within the Valley Ranch Entertainment District and that plan development is progressing.

The Board next considered the status of the contract with Spaw-Glass for construction of the conference center. Mr. Phipps stated that the contract is in the final review stage by legal counsel and the contractor.

The Board next deferred the status of a contract for the purchase of land for the conference center, parking garage, and the extension of infrastructure for the purchase of a tract for the hotel to serve the conference center after Mr. McCrady stated that he had nothing new to report.

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.

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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)



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Katherine Persson  
Secretary, Board of Directors

