

MINUTES OF REGULAR MEETING  
EAST MONTGOMERY COUNTY IMPROVEMENT DISTRICT  
March 18, 2025

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 18<sup>th</sup> day of March, 2025, 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
Elizabeth Mullane	Treasurer/Investment Officer
Ronald Willingham	Assistant Treasurer
Crystal Moore	Director
Fred Wetz	Director

and all of said persons were present, thus constituting a quorum.

Also present were Mr. Frank McCrady, Mr. Joe O’Connell, Mr. Chris Bontrager, Ms. Kelley Matlage, Ms. Jennifer Green, Mr. Greg Phipps, Mr. Garrett Tabor, Mr. Marty Murray, Lt. Slack, Lt. Looze, Kara Richardson and Brandi Eckersley.

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 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 review and approval of the minutes of the Board of Directors meeting held on February 13, 2025. After review and discussion, Director Persson moved to approve the minutes of the Board of Directors meeting held on February 13, 2025, as written. Director Moore seconded the motion, which passed unanimously.

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The Board next considered a report on the 2025 Constable patrol holiday security program. Lt. Slack and Lt. Looze presented the attached Safe Shopper slide show recap and report. Lt. Slack stated that the program began on November 15, 2024, and ended on January 15, 2025, and noted the Montgomery County Constables Pct. 4 ("Constables") responded to 574 dispatched calls and performed 5,260 building checks during the program period. He further stated that the Constables arrested 120 shoplifters, made 50 felony arrests and 69 misdemeanor arrests. Lt. Slack stated that the Constables were able to recover 74% of the merchandise stolen during the program period. He concluded by thanking the Board for the District's continued partnership with the Constables and the ongoing support to help keep the community safe.

The Board next considered a request from the Constables for funds to purchase a Polaris Ranger side by side all-terrain vehicle ("Polaris") for utilization in the community after emergency events. Lt. Slack discussed the request and stated that the Polaris costs approximately \$40,000 and is a full enclosure vehicle with a/c and heating and will be outfitted with a back sled to hold chainsaws, drones and other supplies. He stated that the Polaris will be available for utilization by all agencies in Montgomery County. Director Webb thanked Lt. Slack for the information and stated that the Board would consider the request 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 the District hosted an open house last week. He also stated that the District had a booth advertising the Atrium Center at the Bridal Extravaganza Show held at the George R. Brown Convention Center last weekend.

The Board next deferred a request for funds to provide recreational improvements in Roman Forest 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 the reports. Mr. Tabor presented the attached financial and investments reports and discussed the invoices presented for payment. Following review of the reports, Director Mullane made a motion to approve the reports as presented and to authorize payment of invoices on the General Operating Fund, with check nos. 21345, 21372 and 21399 being voided, the Special Events Account, with check no. 3993 being voided, debits for payroll and wire transfers, all as set forth on the attached reports. Director Carlisle 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.

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The Board next considered the status of the contract with Ameripride Construction, LLC (“Ameripride”) for the clearing and grubbing of the GCP Paper USA site. Mr. Phipps reported that the land has been cleared, and the root raking requirements appear to have been satisfied. He then presented pay application no. 4 in the amount of \$15,394.50 to Ameripride and recommended the Board approve the payment of same. After discussion, Director Persson moved to approve the payment of pay application no. 4 to Ameripride, as set out above. Director Wetz 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”). Ms. Richardson presented the attached survey of the Prevailing Wage Rates for Construction Projects for the Department of Labor (Montgomery County) and reviewed a Resolution with the Board approving same. After discussion, Director Mullane moved to adopt the Resolution based on the Department of Labor (Montgomery County) wage rates. Director Willingham seconded the motion, which passed unanimously.

The Board next considered the status of the annexation of 55.55 acres (consisting of a 34.2964-acre tract (McClarren), 18.92-acre tract (Pak), 1.3383-acre tract (Quinn), and a 1-acre tract (Nichols)) of land owned by the District into the East Montgomery County Municipal Utility District No. 3. Ms. Richardson stated that the annexation package was on the City of Conroe’s Council agenda on March 13, 2025, for approval.

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 Phase I Park improvements, including design and construction services for the dog park, parking, prefabricated restrooms and landscaping of the park. Mr. Phipps stated that Burditt is in the process of completing the documents and that final comments are being addressed for submittal of the permit on March 25, 2025.

The Board next deferred the review of bids and award of a contract for the site preparation to serve the Phase I Park Improvements after Mr. Phipps stated that the bids will be presented for consideration at the April meeting.

The Board next considered announcements. Mr. McCrady reviewed the attached Calendar of Events. Chair Webb stated that the District hosted a groundbreaking ceremony last week to commence the construction of the Conference Center and thanked Mr. Murray for his hard work on the event.

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The Board next recessed at 6:14 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, 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, and Economic Development negotiations pursuant to §551.087, Texas Government Code. The Board reconvened in Open Session at 7:47 p.m.

The Board next considered the status of economic development Incentive Agreements (individually each referred to herein as an "IA"), including the approval of an IA with Final Gravity Brewpub ("Final Gravity"). After discussion, Director Willingham moved to approve the IA with Final Gravity. Director Mullane seconded the motion, which passed unanimously.

The Board next considered the status of the IA with Delect Foods LLC ("Delect"). Mr. McCrady stated that he received the executed IA from Delect and that the item can be removed from the agenda.

The Board next considered the status of the IA with B&B Arch Management Co., Inc. Mr. McCrady stated that he had nothing new to report.

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

The Board next deferred authorizing the sale or lease of property in the Industrial Park for telecommunication use after Mr. McCrady stated that the company is preparing an analysis on the site.

The Board next considered the status of contracts for the purchase of land for expansion of the Industrial Park. Mr. McCrady stated that he had nothing new to report.

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 Jared Smith. Mr. McCrady stated Mr. Smith is no longer pursuing land in the Industrial Park and that the item can be removed from the agenda.

The Board next considered the status of a PSA with incentives relative to the sale of land in the Industrial Park to V Steel Group Inc. or assignees. Mr. McCrady reported that the documents related to the land transaction should be with the title company in the next thirty (30) days.

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The Board next considered the status of a PSA with incentives relative to the sale of land in the Industrial Park to Milestone Metals (“MM”) or assignees. Mr. McCrady reported that the PSA is being modified to reflect the purchase of an approximate 5-acre tract rather than the previously contemplated 10-acre site.

The Board next considered the status of a PSA with incentives relative to the sale of land in the Industrial Park to Master Fans de Mexico (“Master Fans”) or assignees. Mr. McCrady stated that the documents related to the land transaction are with Master Fans for execution.

The Board next considered the status of a PSA with incentives relative to the sale of land in the Industrial Park to KT Capital Assets (“KT”) or assignees. Mr. McCrady stated that he is working to resolve various matters with KT.

The Board next considered approval of a modification to the PSA and related documents to reflect the change of the entity name from GCP Paper to GCP Real Estate, Inc. Mr. McCrady stated that, in addition to the name change, the company has requested to pay off its note early. He stated that CGP owes \$634,000 on the note and has offered to pay \$600,000 in satisfaction of the note and to have the Deed of Trust (“DOT”) on the land released. After discussion, Director Wetz moved to approve the early payoff amount of \$600,000, approve the release of the DOT and approve the entity name change, all as set out above. Director Mullane seconded the motion which passed unanimously.

The Board next considered the status of modifications to the agreement and related documents with Gates Lubricants (“Gates”). Mr. McCrady stated that Gates is working on its expansion plan.

The Board next deferred the status of an amendment to the Lease Agreement with Hydra Specma (formerly YMER Building).

The Board next considered the status of a contract with Spaw-Glass Construction Corporation (“Spaw-Glass”) for construction of the conference center. Mr. Phipps stated that the conference center select fill-pad site is being prepared and the foundations placed. He then presented pay application no. 2 in the amount of \$1,871,667.55 to Spaw-Glass and recommended the Board approve the payment of same. After discussion, Director Persson moved to approve the payment of pay application no. 2 to Spaw-Glass, as set out above. Director Mullane seconded the motion, which passed unanimously.

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The Board next considered the request from the Constables for funds to purchase a Polaris, as discussed earlier in the meeting. Mr. McCrady stated that the total cost of the Polaris is \$40,000 and recommended the District fund ½ of the total cost. After discussion, Director Persson moved to authorize the funding of \$20,000 of the total purchase price of the Polaris. Director Willingham seconded the motion, which passed unanimously.

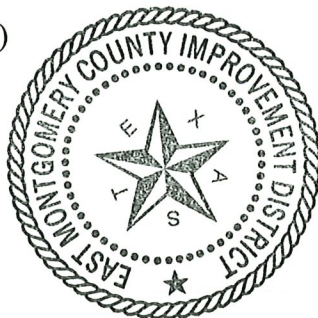
The Board next considered a request for funds to provide improvements to the swimming pool in Roman Forest ("RF"). Mr. McCrady stated the community pool in RF needs major repairs, the cost of which total approximately \$80,000, and that RF requested that the District consider funding \$40,000 of such costs. The Board noted that the pool is utilized not only by residents of RF, but also by residents in other parts of the District. Mr. McCrady noted that the low admission cost makes the RF pool a popular summer activity for residents of all District. After discussion, Director Persson moved to authorize the funding of \$40,000 of the improvement cost, as set out above. Director Wetz seconded the motion, which passed unanimously.

The Board next considered the review of proposals relative to the renewal of the District's insurance coverage for the term expiring March 31, 2025. Mr. McCrady presented the proposals from Gallagher (W.I.N.), stated that Director Wetz has reviewed the proposals, and recommended that the Board renew its coverage with Gallagher for directors and officer's liability, directors position bond, business travel accident and international travel liability coverage scheduled to expire on March 31, 2026. After discussion, Director Wetz moved to renew the existing coverages provided by Gallagher, with the noted corrections, and authorize Mr. McCrady to execute the various coverage proposals. Director Moore seconded the motion, which passed unanimously.

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