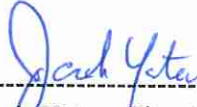


**NOTICE OF REGULAR  
MEETING  
Montgomery Economic Development Corporation  
(MEDC)**

Notice is hereby given that the Board of Directors of the Montgomery Economic Development Corporation will hold a Regular Meeting at 6:00 p.m. on December 17, 2018 at the Montgomery City Hall, 101 Old Plantersville Road, in Montgomery, Texas.

1. Call to Order
2. Open Public Comment
3. Approval of Minutes of October 29, 2018
4. Monthly Financial Report (October, November 2018)
5. Consideration and possible action regarding Montgomery Historical Society funding for Christmas in Historic Montgomery event
6. Consideration and possible action regarding amendment of bylaws
7. Consideration and possible action regarding approval of Assignment of Economic Development Agreement between Milestone Properties, Inc., Kroger, Texas L.P. the City of Montgomery and the Montgomery Economic Development Corporation
8. Consideration and possible action regarding Katrina Moore, Work Plan Formulation
9. Consideration possible action regarding spending plans of the MEDC budget line items
10. Economic development report: City Administrator Report, Engineer Report
11. Board Inquiry
12. Adjournment



  
-----  
Jack Yates, City Administrator for  
Rebecca Huss, President of MEDC

I certify that the attached notice of meeting was posted on the bulletin board at City of Montgomery City Hall, 101 Old Plantersville Road, Montgomery, Texas, on the 14<sup>th</sup> day of December, 2018 at 11:20 o'clock AM. I further certify that the following news media was notified of this meeting as stated above: The Courier

**MINUTES OF REGULAR MEETING**  
**OCTOBER 29, 2018**  
**MONTGOMERY ECONOMIC DEVELOPMENT CORPORATION**

**CALL TO ORDER**

President Rebecca Huss called the meeting to order at 6:00 p.m.

Present:        Rebecca Huss - President  
                  Randy Moravec – Treasurer  
                  Amy Brown – Secretary  
                  John Champagne – Board Member  
                  Cheryl Fox – Board Member  
                  Bill Hanover – Board Member

Absent:         Bob Kerr – Vice President

Also Present:  Jack Yates – City Administrator

**OPEN PUBLIC COMMENT**

No public comment.

**APPROVAL OF MINUTES**

Minutes of September 17, 2018 Regular Meeting –

President Huss asked for comments on the minutes as presented. Mr. Moravec suggested a description of Ms. Shawna Riley be included to indicate that she is an owner of a small downtown business. Mrs. Huss noted that Ms. Riley did not identify herself when she spoke, but Mrs. Brown is familiar with Ms. Riley. Mr. Moravec made a motion to accept the minutes pending the change, seconded by Mrs. Fox. All in favor. (6-0)

## MONTHLY FINANCIAL REPORT

### Report for September, 2018

Mr. Moravec suggested, since all events will be grouped into one line item, removing the miscellaneous administrative expenses of \$7,500 related to the Homecoming and the Haunted House events. These expenses would then be moved to the Marketing and Tourism line item. Mrs. Huss agreed as long as the increased amount did not cause the category total to exceed legal limitation. Mr. Moravec assured her that it would not exceed the limitation. Motion by Mrs. Brown, seconded by Mr. Champagne to approve the September 2018 Financial Report as presented. All in favor. (6-0)

## CONSIDERATION AND POSSIBLE ACTION

5. Consideration and possible action regarding the Historic Montgomery Business Association billboard proposal.

Ms. Kambra Drummond, owner of Rustic Cashmere, and Ms. Brenda Reiland, owner of Pets, spoke on behalf of the HMBA.

A written proposal was handed out to the Board, and a copy of that proposal is attached.

HMBA requested MEDC partner with them to pay for leasing a billboard to be used for promotion of the Historic Business District. The chosen billboard is on the South side of Highway 105, facing East across from the Dollar General Store.

The request is for lease of the billboard for twelve months along with the creation and installation of a reusable, generic advertising vinyl to cover the billboard.

Organizations, groups and the MEDC may use the billboard to advertise specific events so long as they pay for the specific event vinyl along with the installation and removal of the specific event vinyl.

Mr. Moravec asked if this would fall under the Economic Grant Program. Mrs. Huss agreed that would be the appropriate line item for this proposal. Mr. Moravec also asked that someone from the Board, or the Marketing Director, approve the advertising copy before it is installed.

Motion by Mr. Champagne, seconded by Mr. Hanover to contribute \$4,440 to partner with the HMBA on billboard advertising. All in favor. (6-0)

6. Presentation by Floyd Montgomery regarding Montgomery memorabilia.

Mr. Montgomery, a new resident of Montgomery, spoke to the Board concerning his wish to establish a museum and a Highland Games event in Montgomery.

Mr. Montgomery also discussed the historical significance of the name Montgomery. He volunteered to open his home to any Board member who would be interested in viewing his collection.

No action was taken.

7. Consideration and possible action regarding the purchasing policy for the MEDC.

Debate was held as to what authority, and or limit, the City Administrator should have regarding spending MEDC funds.

Motion by Mr. Champagne, seconded by Mrs. Brown to limit the City Administrator's purchasing authority to payment of expenses for Transfers to Debt Services, Tax Reimbursement, Removal of Blight, and Reimbursement of General Funds to the amounts in the 2018-2019 adopted budget as approved by the MEDC Board and City Council. The vote was tied with Brown, Champagne and Huss voting yes and Fox, Hanover and Moravec voting no. The motion failed. (3-3)

8. Consideration of amendments to the MEDC Bylaws.

Mr. Yates stated the City Attorney has no suggestions concerning the question of ethics. The City Attorney does provide an ethics presentation for Boards. One could be planned for City Council and invite other boards, including MEDC, to attend.

Mrs. Brown questioned if the Board had voted on the Bylaw change that moved the date of the annual meeting from September to January. Mrs. Huss asked that the minutes from the previous meetings be examined to see if the Board voted on the Bylaw changes.

No action was taken.

9. Consideration of possible action to adopt the 1, 3, and 5 Year Goals.

Mrs. Huss reminded the Board that this item was discussed in previous meetings with the only concern being the specific percentage of sales tax growth rate required each year.

Mr. Champagne suggested removing the percentage amounts.

Motion by Mrs. Fox, seconded by Mrs. Huss to approve the goals as written. All in favor. (6-0)

10. Consideration and possible action regarding Third Quarter Economic Development Report for City Council.

Mrs. Huss stated that this report is the same as the Utility Report that City Council has already seen. She stated that she did not see much value in having Mr. Moravec present it to Council.

Motion by Mrs. Brown, seconded by Mr. Champagne to send the report to City Council without a Board member formally presenting the report. All in favor. (5-0) Mr. Moravec was out of the room and did not vote.

11. Economic Development Report

Engineer Report – Mr. Yates presented the report, specifically speaking on the opening of the Buffalo Springs Bridge reopening and the GLO Grant. Mr. Moravec asked if the Development Handbook has been published on the city's website. Mr. Yates said that it has and is available as a PDF download.

Sales Tax Report – Mr. Yates briefly went through the report as presented to the Board. Mrs. Huss asked how much this report costs the city. Mr. Yates responded that the fee is \$1,400 per month. Mr. Moravec asked if the EDC contributes to the monthly fee. Mr. Yates responded that the city absorbs all of the expense.

City Administrator Report – The written report was provided to the Board members. No discussion was held.

12. Convene to closed executive session as authorized by the Texas Open Meetings Act, Chapter 551 of the Government Code.

The Board convened into closed session at 7:37pm.

13. Reconvene into the Open Session.

The Board reconvened into open session at 7:59 pm.

14. Consideration and possible action if necessary on matters deliberated in Closed Executive Session.

Board directed the City Administrator to move forward on the issue under discussion.

**BOARD INQUIRY**

Mr. Yates was questioned on the status of the Home Focus issue. He stated that after detailed review of the charges, he sent a detailed letter to Home Focus informing them the EDC offers \$200 as payment to settle the account.

## ACTION ITEMS FROM SEPTEMBER MEETING

| <i>ACTION ITEM</i>  | <i>ASSIGNEE</i> | <i>RESULT</i>                          |
|---|-----------------|--|
| Consider and suggest a realistic percentage of growth for sales tax revenue | Moravec         | Board decided to leave item as written |
| Amend 1,3,5-Year Goals  | Brown           | Completed                              |
| Find Mediator for Home Focus issue  | Yates           | See Board Inquiry                      |
| New Employee Management Action Item   | Yates           |  |
| Expenditure Procedures Action Item  | Yates           | Completed                              |

## ACTION ITEMS FOR FUTURE MEETINGS

| <i>ACTION ITEM</i>                 | <i>ASSIGNEE</i> | <i>DUE DATE</i> |
|------------------------------------|-----------------|-----------------|
| Review minutes on Board Bylaw vote | Brown           | November        |

### ADJOURNMENT

Motion by Mrs. Fox, seconded by Mr. Hanover to adjourn the meeting at 8:02pm. All in favor. (6-0)

Submitted by: \_\_\_\_\_

Amy Brown, Recording Secretary

CITY OF MONTGOMERY - MEDC  
 ACCOUNT BALANCES REPORT  
 Through **October 31, 2018**

|                           | <u>MONEY MARKET<br/>ACCOUNTS</u> |                      | <u>INVESTMENTS</u> | <u>TOTALS</u>        |
|---------------------------|----------------------------------|----------------------|--------------------|----------------------|
| <u>MEDC</u>               |                                  |                      |                    |                      |
| CHECKING ACCOUNT #1017938 | \$ 280,517.03                    |                      |                    | \$ 280,517.03        |
| TOTAL INVESTMENTS         | \$ -                             | \$ 489,408.28        |                    | \$ 489,408.28        |
| <b>TOTAL MIDC</b>         | <b>\$ 280,517.03</b>             | <b>\$ 489,408.28</b> |                    | <b>\$ 769,925.31</b> |

**INVESTMENTS**

|                                 | Issue Date | Maturity Date | Interest Rate | Balance              |
|---------------------------------|------------|---------------|---------------|----------------------|
| Texpool #00006                  |            |               | 2.18%         | \$ 239,408.28        |
| Certificates                    |            |               |               |                      |
| Allegiance Bank                 | 6/6/2018   | 6/6/2019      | 2.00%         | \$ 100,000.00        |
| Icon Bank CD #7731              | 1/27/2018  | 1/27/2019     | 1.25%         | \$ 150,000.00        |
| <b>Total Investment Balance</b> |            |               |               | <b>\$ 489,408.28</b> |

City of Montgomery - MEDC  
**Cash Flow Report**  
 As of October 31, 2018

| Date                        | Num  | Name                              | Memo   | Amount           | Balance           |
|-----------------------------|------|-----------------------------------|--|------------------|-------------------|
| 51100 · MEDC Checking       |      |                                   |  |                  | 283,013.21        |
| 0/11/2018                   | 1922 | Kenneth Arnsworth                 | Demolition and removal of debris from 915 Martin ... | -2,300.00        | 280,713.21        |
| 0/19/2018                   | 1923 | Waste Management of Texas, Inc. 2 | CustomerID#20-86349-03007 Inv 1423711-1792-0 ...     | -196.18          | 280,517.03        |
| Total 51100 · MEDC Checking |      |                                   |  | -2,496.18        | 280,517.03        |
| <b>TOTAL</b>                |      |                                   |  | <b>-2,496.18</b> | <b>280,517.03</b> |



City of Montgomery - MEDC  
Actual to Budget Performance  
October 2018

|  | <u>Oct 18</u>    | <u>Budget</u>    | <u>\$ Over B...</u> | <u>Oct 18</u>    | <u>YTD Bu...</u> | <u>\$ Over B...</u> | <u>Annual ...</u> |
|--|------------------|------------------|---------------------|------------------|------------------|---------------------|-------------------|
| <b>Income</b>  |                  |                  |                     |                  |                  |                     |                   |
| 55000 · Taxes & Franchise Fees                           |                  |                  |                     |                  |                  |                     |                   |
| 55400 · Sales Tax  | 35,290.64        | 47,916.63        | (12,625.99)         | 35,290.64        | 47,916.63        | (12,625.99)         | 575,000.00        |
| <b>Total 55000 · Taxes &amp; Franchise Fees</b>          | <b>35,290.64</b> | <b>47,916.63</b> | <b>(12,625.99)</b>  | <b>35,290.64</b> | <b>47,916.63</b> | <b>(12,625.99)</b>  | <b>575,000.00</b> |
| 55300 · Other Revenues                                   |                  |                  |                     |                  |                  |                     |                   |
| 55391 · Interest Income                                  | 435.11           | 266.63           | 168.48              | 435.11           | 266.63           | 168.48              | 3,200.00          |
| <b>Total 55300 · Other Revenues</b>                      | <b>435.11</b>    | <b>266.63</b>    | <b>168.48</b>       | <b>435.11</b>    | <b>266.63</b>    | <b>168.48</b>       | <b>3,200.00</b>   |
| <b>Total Income</b>                                      | <b>35,725.75</b> | <b>48,183.26</b> | <b>(12,457.51)</b>  | <b>35,725.75</b> | <b>48,183.26</b> | <b>(12,457.51)</b>  | <b>578,200.00</b> |
| <b>Expense</b>   |                  |                  |                     |                  |                  |                     |                   |
| 56000 · Pub Infrastructure - Category I                  |                  |                  |                     |                  |                  |                     |                   |
| 56000.6 · Downtown Dev Improvments                       | 0.00             | 5,000.00         | (5,000.00)          | 0.00             | 5,000.00         | (5,000.00)          | 60,000.00         |
| 56000.8 · Utility Extensions                             | 0.00             | 3,266.63         | (3,266.63)          | 0.00             | 3,266.63         | (3,266.63)          | 39,200.00         |
| 56430 · Tsf to Debt Service                              | 0.00             | 0.00             | 0.00                | 0.00             | 0.00             | 0.00                | 160,000.00        |
| <b>Total 56000 · Pub Infrastructure - Category I</b>     | <b>0.00</b>      | <b>8,266.63</b>  | <b>(8,266.63)</b>   | <b>0.00</b>      | <b>8,266.63</b>  | <b>(8,266.63)</b>   | <b>259,200.00</b> |
| 56001 · Business Dev & Ret -Category II                  |                  |                  |                     |                  |                  |                     |                   |
| 56001.8 · Sales Tax Reimbursement                        | 0.00             | 0.00             | 0.00                | 0.00             | 0.00             | 0.00                | 76,900.00         |
| 56423 · Economic Development Grant Prog                  | 0.00             | 1,250.00         | (1,250.00)          | 0.00             | 1,250.00         | (1,250.00)          | 15,000.00         |
| <b>Total 56001 · Business Dev &amp; Ret -Category II</b> | <b>0.00</b>      | <b>1,250.00</b>  | <b>(1,250.00)</b>   | <b>0.00</b>      | <b>1,250.00</b>  | <b>(1,250.00)</b>   | <b>91,900.00</b>  |
| 56002 · Quality of Life - Category III                   |                  |                  |                     |                  |                  |                     |                   |
| 56404 · Seasonal Decorations                             | 0.00             | 2,533.34         | (2,533.34)          | 0.00             | 2,533.34         | (2,533.34)          | 7,600.00          |
| 56423.1 · Walking Tours                                  | 0.00             | 0.00             | 0.00                | 0.00             | 0.00             | 0.00                | 6,000.00          |
| 56429 · Removal of Blight                                | 0.00             | 1,250.00         | (1,250.00)          | 0.00             | 1,250.00         | (1,250.00)          | 15,000.00         |
| 56434 · Events   | 0.00             | 2,916.63         | (2,916.63)          | 0.00             | 2,916.63         | (2,916.63)          | 35,000.00         |
| 56439 · Downtown Enhancement Projects                    | 0.00             | 1,666.63         | (1,666.63)          | 0.00             | 1,666.63         | (1,666.63)          | 20,000.00         |
| <b>Total 56002 · Quality of Life - Category III</b>      | <b>0.00</b>      | <b>8,366.60</b>  | <b>(8,366.60)</b>   | <b>0.00</b>      | <b>8,366.60</b>  | <b>(8,366.60)</b>   | <b>83,600.00</b>  |
| 56003 · Marketing & Tourism-Category IV                  |                  |                  |                     |                  |                  |                     |                   |
| 56413 · Brochures/Printed Literature                     | 0.00             | 833.37           | (833.37)            | 0.00             | 833.37           | (833.37)            | 10,000.00         |
| 56419 · Website  | 0.00             | 250.00           | (250.00)            | 0.00             | 250.00           | (250.00)            | 3,000.00          |
| <b>Total 56003 · Marketing &amp; Tourism-Category IV</b> | <b>0.00</b>      | <b>1,083.37</b>  | <b>(1,083.37)</b>   | <b>0.00</b>      | <b>1,083.37</b>  | <b>(1,083.37)</b>   | <b>13,000.00</b>  |
| 56004 · Administration - Category V                      |                  |                  |                     |                  |                  |                     |                   |
| 56004.1 · Admin Transfers to Gen Fund                    | 0.00             | 0.00             | 0.00                | 0.00             | 0.00             | 0.00                | 107,500.00        |
| 56004.3 · Miscellaneous Expenses                         | 0.00             | 83.37            | (83.37)             | 0.00             | 83.37            | (83.37)             | 1,000.00          |
| 56004.5 · Internship Program                             | 0.00             | 833.37           | (833.37)            | 0.00             | 833.37           | (833.37)            | 10,000.00         |
| 56327 · Consulting (Professional servi)                  | 0.00             | 833.37           | (833.37)            | 0.00             | 833.37           | (833.37)            | 10,000.00         |
| 56354 · Travel & Training Expenses                       | 0.00             | 166.63           | (166.63)            | 0.00             | 166.63           | (166.63)            | 2,000.00          |
| <b>Total 56004 · Administration - Category V</b>         | <b>0.00</b>      | <b>1,916.74</b>  | <b>(1,916.74)</b>   | <b>0.00</b>      | <b>1,916.74</b>  | <b>(1,916.74)</b>   | <b>130,500.00</b> |
| <b>Total Expense</b>                                     | <b>0.00</b>      | <b>20,883.34</b> | <b>(20,883.34)</b>  | <b>0.00</b>      | <b>20,883.34</b> | <b>(20,883.34)</b>  | <b>578,200.00</b> |
| <b>Net Income</b>  | <b>35,725.75</b> | <b>27,299.92</b> | <b>8,425.83</b>     | <b>35,725.75</b> | <b>27,299.92</b> | <b>8,425.83</b>     | <b>0.00</b>       |

CITY OF MONTGOMERY - MEDC  
ACCOUNT BALANCES REPORT  
Through November 30 , 2018

|                           | <u>MONEY MARKET<br/>ACCOUNTS</u> | <u>INVESTMENTS</u>   | <u>TOTALS</u>        |
|---------------------------|----------------------------------|----------------------|----------------------|
| <u>MEDC</u>               |                                  |                      |                      |
| CHECKING ACCOUNT #1017938 | \$ 277,511.18                    |                      | \$ 277,511.18        |
| TOTAL INVESTMENTS         | \$ -                             | \$ 489,841.77        | \$ 489,841.77        |
| <b>TOTAL MIDC</b>         | <b>\$ 277,511.18</b>             | <b>\$ 489,841.77</b> | <b>\$ 767,352.95</b> |

INVESTMENTS

|                                 | Issue Date | Maturity Date | Interest Rate | Balance              |
|---------------------------------|------------|---------------|---------------|----------------------|
| Texpool #00006                  |            |               | 2.18%         | \$ 239,841.77        |
| Certificates                    |            |               |               |                      |
| Allegiance Bank                 | 6/6/2018   | 6/6/2019      | 2.00%         | \$ 100,000.00        |
| Icon Bank CD #7731              | 1/27/2018  | 1/27/2019     | 1.25%         | \$ 150,000.00        |
| <b>Total Investment Balance</b> |            |               |               | <b>\$ 489,841.77</b> |

City of Montgomery - MEDC

**Cash Flow Report**

As of November 30, 2018

| Date                         | Num  | Name                              | Memo   | Amount           | Balance           |
|------------------------------|------|-----------------------------------|--|------------------|-------------------|
| <b>51100 · MEDC Checking</b> |      |                                   |  |                  | 280,517.03        |
| 1/16/2018                    | 1924 | Waste Management of Texas, Inc.   | Acct#20-90434-73000/INV 1424270-1792-6 Blight... | -98.09           | 280,418.94        |
| 1/16/2018                    | 1925 | Waste Management of Texas, Inc. 2 | CustomerID#20-86349-03007 Inv 1424246-1792-6 ... | -1,144.35        | 279,274.59        |
| 1/21/2018                    | 1926 | Darden, Fowler and Creighton, LLP | Legal fees for October 2018                      | -120.00          | 279,154.59        |
| 1/30/2018                    | 1927 | Davis Investigation Services      | Inv# 98150828                                    | -143.41          | 279,011.18        |
| 1/30/2018                    | 1928 | Catherine Pringle                 | Christmas Decorating Award 2018                  | -200.00          | 278,811.18        |
| 1/30/2018                    | 1929 | Garrett House                     | Christmas Decorating Award 2018                  | -250.00          | 278,561.18        |
| 1/30/2018                    | 1930 | Hodge Podge Lodge                 | Christmas Decorating Award 2018                  | -500.00          | 278,061.18        |
| 1/30/2018                    | 1931 | Jennifer Brown                    | Christmas Decorating Award 2018                  | -150.00          | 277,911.18        |
| 1/30/2018                    | 1932 | Lisa Martin                       | Christmas Decorating Award 2018                  | -250.00          | 277,661.18        |
| 1/30/2018                    | 1933 | Skinner Carpet                    | Christmas Decorating Award 2018                  | -150.00          | 277,511.18        |
| Total 51100 · MEDC Checking  |      |                                   |  | -3,005.85        | 277,511.18        |
| <b>TOTAL</b>                 |      |                                   |  | <b>-3,005.85</b> | <b>277,511.18</b> |

City of Montgomery - MEDC  
**Actual to Budget Performance**  
 November 2018

|  | Nov 18           | Budget             | \$ Over Bud...     | Oct - Nov 18      | YTD Budget         | \$ Over Bud...      | Annual Bu...      |
|--|------------------|--------------------|--------------------|-------------------|--------------------|---------------------|-------------------|
| <b>Income.</b>   |                  |                    |                    |                   |                    |                     |                   |
| 55000 · Taxes & Franchise Fees                           |                  |                    |                    |                   |                    |                     |                   |
| 55400 · Sales Tax  | 75,927.10        | 47,916.67          | 28,010.43          | 111,217.74        | 95,833.30          | 15,384.44           | 575,000.00        |
| <b>Total 55000 · Taxes &amp; Franchise Fees</b>          | <b>75,927.10</b> | <b>47,916.67</b>   | <b>28,010.43</b>   | <b>111,217.74</b> | <b>95,833.30</b>   | <b>15,384.44</b>    | <b>575,000.00</b> |
| 55300 · Other Revenues                                   |                  |                    |                    |                   |                    |                     |                   |
| 55391 · Interest Income                                  | 433.49           | 266.67             | 166.82             | 868.60            | 533.30             | 335.30              | 3,200.00          |
| <b>Total 55300 · Other Revenues</b>                      | <b>433.49</b>    | <b>266.67</b>      | <b>166.82</b>      | <b>868.60</b>     | <b>533.30</b>      | <b>335.30</b>       | <b>3,200.00</b>   |
| <b>Total Income</b>                                      | <b>76,360.59</b> | <b>48,183.34</b>   | <b>28,177.25</b>   | <b>112,086.34</b> | <b>96,366.60</b>   | <b>15,719.74</b>    | <b>578,200.00</b> |
| <b>Expense</b>   |                  |                    |                    |                   |                    |                     |                   |
| 56000 · Pub Infrastructure - Category I                  |                  |                    |                    |                   |                    |                     |                   |
| 56000.6 · Downtown Dev Improvments                       | 0.00             | 5,000.00           | (5,000.00)         | 0.00              | 10,000.00          | (10,000.00)         | 60,000.00         |
| 56000.8 · Utility Extensions                             | 0.00             | 3,266.67           | (3,266.67)         | 0.00              | 6,533.30           | (6,533.30)          | 39,200.00         |
| 56430 · Tsf to Debt Service                              | 0.00             | 40,000.00          | (40,000.00)        | 0.00              | 40,000.00          | (40,000.00)         | 160,000.00        |
| <b>Total 56000 · Pub Infrastructure - Category I</b>     | <b>0.00</b>      | <b>48,266.67</b>   | <b>(48,266.67)</b> | <b>0.00</b>       | <b>56,533.30</b>   | <b>(56,533.30)</b>  | <b>259,200.00</b> |
| 56001 · Business Dev & Ret -Category II                  |                  |                    |                    |                   |                    |                     |                   |
| 56001.8 · Sales Tax Reimbursement                        | 0.00             | 0.00               | 0.00               | 0.00              | 0.00               | 0.00                | 76,900.00         |
| 56423 · Economic Development Grant Prog                  | 0.00             | 1,250.00           | (1,250.00)         | 0.00              | 2,500.00           | (2,500.00)          | 15,000.00         |
| <b>Total 56001 · Business Dev &amp; Ret -Category II</b> | <b>0.00</b>      | <b>1,250.00</b>    | <b>(1,250.00)</b>  | <b>0.00</b>       | <b>2,500.00</b>    | <b>(2,500.00)</b>   | <b>91,900.00</b>  |
| 56002 · Quality of Life - Category III                   |                  |                    |                    |                   |                    |                     |                   |
| 56404 · Seasonal Decorations                             | 0.00             | 2,533.33           | (2,533.33)         | 0.00              | 5,066.67           | (5,066.67)          | 7,600.00          |
| 56420.2 · Christmas Lighting(Civic Assn)                 | 1,500.00         | 0.00               | 1,500.00           | 1,500.00          | 0.00               | 1,500.00            | 0.00              |
| 56423.1 · Walking Tours                                  | 0.00             | 0.00               | 0.00               | 0.00              | 0.00               | 0.00                | 6,000.00          |
| 56429 · Removal of Blight                                | 2,037.94         | 1,250.00           | 787.94             | 3,280.38          | 2,500.00           | 780.38              | 15,000.00         |
| 56434 · Events   | 0.00             | 2,916.67           | (2,916.67)         | 0.00              | 5,833.30           | (5,833.30)          | 35,000.00         |
| 56439 · Downtown Enhancement Projects                    | 0.00             | 1,666.67           | (1,666.67)         | 0.00              | 3,333.30           | (3,333.30)          | 20,000.00         |
| <b>Total 56002 · Quality of Life - Category III</b>      | <b>3,537.94</b>  | <b>8,366.67</b>    | <b>(4,828.73)</b>  | <b>4,780.38</b>   | <b>16,733.27</b>   | <b>(11,952.89)</b>  | <b>83,600.00</b>  |
| 56003 · Marketing & Tourism-Category IV                  |                  |                    |                    |                   |                    |                     |                   |
| 56413 · Brochures/Printed Literature                     | 19.50            | 833.33             | (813.83)           | 19.50             | 1,666.70           | (1,647.20)          | 10,000.00         |
| 56419 · Website  | 0.00             | 250.00             | (250.00)           | 0.00              | 500.00             | (500.00)            | 3,000.00          |
| <b>Total 56003 · Marketing &amp; Tourism-Category IV</b> | <b>19.50</b>     | <b>1,083.33</b>    | <b>(1,063.83)</b>  | <b>19.50</b>      | <b>2,166.70</b>    | <b>(2,147.20)</b>   | <b>13,000.00</b>  |
| 56004 · Administration - Category V                      |                  |                    |                    |                   |                    |                     |                   |
| 56004.1 · Admin Transfers to Gen Fund                    | 0.00             | 26,875.00          | (26,875.00)        | 0.00              | 26,875.00          | (26,875.00)         | 107,500.00        |
| 56004.3 · Miscellaneous Expenses                         | 143.41           | 83.33              | 60.08              | 143.41            | 166.70             | (23.29)             | 1,000.00          |
| 56004.5 · Internship Program                             | 0.00             | 833.33             | (833.33)           | 0.00              | 1,666.70           | (1,666.70)          | 10,000.00         |
| 56327 · Consulting (Professional servi)                  | 0.00             | 833.33             | (833.33)           | 120.00            | 1,666.70           | (1,546.70)          | 10,000.00         |
| 56354 · Travel & Training Expenses                       | 0.00             | 166.67             | (166.67)           | 0.00              | 333.30             | (333.30)            | 2,000.00          |
| <b>Total 56004 · Administration - Category V</b>         | <b>143.41</b>    | <b>28,791.66</b>   | <b>(28,648.25)</b> | <b>263.41</b>     | <b>30,708.40</b>   | <b>(30,444.99)</b>  | <b>130,500.00</b> |
| <b>Total Expense</b>                                     | <b>3,700.85</b>  | <b>87,758.33</b>   | <b>(84,057.48)</b> | <b>5,063.29</b>   | <b>108,641.67</b>  | <b>(103,578.38)</b> | <b>578,200.00</b> |
| <b>Net Income</b>  | <b>72,659.74</b> | <b>(39,574.99)</b> | <b>112,234.73</b>  | <b>107,023.05</b> | <b>(12,275.07)</b> | <b>119,298.12</b>   | <b>0.00</b>       |

Montgomery City Council  
**AGENDA REPORT**

|   |   |
|---|---|
| <b>Meeting Date: December 17, 2018</b>                      | <b>Budgeted Amount: \$35,000 line item</b>  |
| <b>Prepared By: Jack Yates</b><br><b>City Administrator</b> | <b>Exhibits: Application to MEDC for Funds,</b><br>Four year financial statement of event,<br>MEDC internal festival guidelines |
| <b>Date Prepared: December 13, 2018</b>                     |   |

**Subject**

This is to consider a \$5000 grant to the Christmas in Montgomery event, as requested by the Montgomery Historical Society

**Description**

The Societies application and financial information is attached. Also attached is the MEDC adopted Internal Festival Guidelines for funding of such events as now requested.

To perhaps state the obvious-- you are free to grant the entire amount requested, part of the amount requested or none the amount requested.

The expenditure would come from the "Events" line item in the MEDC budget that has \$35,000 designated for that line item expenditures.

**Recommendation**

Motion to grant Montgomery Historical Society \$\_\_\_\_\_.

**Approved By**

City Administrator

Jack Yates

Date: December 13, 2018

**City of Montgomery, TX  
Economic Development Corporation  
Grant Application**



|  |  |
|--|--|
| Company Name:<br><i>MONTGOMERY HISTORICAL SOCIETY</i>  |  |
| Company Contact:<br><i>BILLY RAY DUNNAN</i>  | Title:<br><i>PRESIDENT</i>   |
| Best Phone:<br><i>936-520-2509</i>   | Alt. Phone:  |
| Email Address:<br><i>BRD221@CONSOLIDATED.NET</i>   |  |
| Physical Address:<br><i>14264 LIBERTY ST.</i>  | City, State, Zip:<br><i>MONTGOMERY TX 77356</i>  |
| Mailing Address (if different):<br><i>BOX 513</i>  | City, State, Zip:<br><i>MONTGOMERY TX 77356</i>  |
| Applicant's years of experience in this business:  | How long has his business been located in Montgomery?<br><i>1954</i>                         |
| Do you own or lease this facility?<br><input checked="" type="checkbox"/> OWN <input type="checkbox"/> LEASE   |  |
| If leased, please provide owner information and a copy of lease agreement.<br>Owner Name: _____ Owner Phone: _____   |  |
| Provide a detailed description of the proposed project as "Exhibit A" attached<br><i>CHRISTMAS in HISTORIC MONTGOMERY</i>                                  |  |
| What is the estimated total cost of the project?<br>(Include supporting information, ie estimates/quotes as "Exhibit B" attached)                          | \$ _____   |
| How much funding are you requesting from the MEDC for this project?<br>(Typical grants are awarded at 1/3 the total project cost or up to \$5,000)         | \$ <i>5000.00</i>  |
| Are you requesting an exception for additional funding on this project?<br>(Please provide additional supporting evidence for this request as "Exhibit C") | \$ _____   |
| When will this project begin?  | What is the estimated completion date?   |
| Attach all drawings of planned improvements as "Exhibit D"   |  |
| Include a description of expected commercial revitalization impact & sales tax revenue impact as "Exhibit E"   |  |
| If this project will employ Montgomery vendors, please supply details as "Exhibit F"   |  |
| Applicant's Signature: <i>[Signature]</i><br>Title: <i>LEASURE</i><br>Date: <i>12-13-2018</i>  |  |
| <b>OFFICE USE:</b>   |  |
| Date Application Received:   | Date Presented to Board: <input type="checkbox"/> APPROVED <input type="checkbox"/> DECLINED |
| Performance Agreement Received:  | Project Completion Date:      Funding Date:      Check Number:                               |



# Montgomery Economic Development Corporation

The MEDC believes that festivals and events will play an important role in expanding Montgomery's downtown economy and enhance interest in its cultural and historical treasures.

## Internal Festival Guidelines

- The MEDC has identified a preliminary list of festivals to be prioritized and produced at the direction of the Board
- Each festival will require a detailed budget to be approved in advance by the Board
- Internal festivals should endeavor to be financially break-even within 5 years or less
- Other metrics for success include visitors, social media activity, sales tax revenue, improved resiliency for downtown merchants, resident satisfaction
- Partnerships with external organizations should be pursued whenever possible (sponsorships, volunteers, HMBA, Historical Society, etc)

Christmas in Historic Montgomery - December

Montgomery Historical Society

|                            | 2014            | 2015            | 2016            | 2017             |
|----------------------------|-----------------|-----------------|-----------------|------------------|
| <b>INCOME</b>              |                 |                 |                 |                  |
| Arts and Crafts            | \$5,550         | \$6,050         | \$5,750         | \$ 5,520         |
| Cookie Walk                | \$5,516         | \$3,534         | \$5,452         | \$ 6,808         |
| Home Tour                  | \$3,670         | \$810           | \$2,890         | \$ 2,266         |
| <b>Total Income</b>        | <b>\$14,736</b> | <b>\$10,394</b> | <b>\$14,092</b> | <b>\$ 14,594</b> |
| <br>                       |                 |                 |                 |                  |
| <b>EXPENSES</b>            |                 |                 |                 |                  |
| Expenses                   | \$4,883         | \$5,305         | \$5,283         | \$5,209          |
| Home Owners                | \$1,834         | \$405           | \$1,445         | \$1,304          |
| Banner replacement         |                 |                 | \$1,100         |                  |
| <b>Total Expenses</b>      | <b>\$6,717</b>  | <b>\$5,710</b>  | <b>\$7,828</b>  | <b>\$6,513</b>   |
| <br>                       |                 |                 |                 |                  |
| <b>NET</b>                 | <b>\$8,019</b>  | <b>\$4,684</b>  | <b>\$6,264</b>  | <b>\$8,081</b>   |
| Funds Received from MEDC   | \$5,000         | \$5,000         | \$5,000         | \$5,000          |
| <b>NET including Funds</b> | <b>\$13,019</b> | <b>\$9,684</b>  | <b>\$11,264</b> | <b>\$13,081</b>  |



Montgomery City Council  
**AGENDA REPORT**

|   |  |
|---|--|
| <b>Meeting Date: December 17, 2018</b>                      | <b>Budgeted Amount:</b>  |
|   |  |
| <b>Prepared By: Jack Yates</b><br><b>City Administrator</b> | <b>Exhibits:</b> Existing bylaws,<br>Proposed bylaws,<br>Mr. Foerster email regarding<br>bylaws w/suggestion regarding<br>Council appointing vacancy,<br>Email exchange<br>regarding ethics training |
| <b>Date Prepared: December 13, 2018</b>                     |  |

**Subject**

This is to reviewed and approved by-laws of the MEDC.

**Description**

This is to me and the bylaws of the MEDC. The only discussed by the MEDC Board in proposed changes on page 2, Section 3.4- wherein the bylaws are changed from the words: “during the last month of each” to “January of each”. This accomplishes the designation of the annual meeting as January of each year.

Larry Foerster had a recommendation that the phrase “as appointed by the city Council” be inserted at the end of section 3.03 regarding Vacancies.

There had been discussion previously about adding a section regarding ethics into the bylaws. Attached is a email exchange between Larry Foerster, Rebecca Huss and myself regarding the ethics question with the result being that there not be a change to the bylaws but to have the MEDC hear a presentation from Mr. Foerster regarding an ethics presentation he will make to the City Council and/or to the Planning Commission – thus saving a the cost of a special trip by Mr. Foerster to give the presentation to only the MEDC Board.

**Recommendation**

Motion to approve the bylaws as amended.

Montgomery City Council  
**AGENDA REPORT**

|                    |            |                         |
|--------------------|------------|-------------------------|
| <b>Approved By</b> |            |                         |
| City Administrator | Jack Yates | Date: December 13, 2018 |

# EXISTING BY-LAWS

## BYLAWS OF MONTGOMERY ECONOMIC DEVELOPMENT CORPORATION

These Bylaws govern the affairs of MONTGOMERY ECONOMIC DEVELOPMENT CORPORATION (the "Corporation"), a nonprofit corporation organized under Article 5190.6 V.T.C.S., the Development Corporation Act of 1979 (the "Act") and governed by Sec. 4B of the Act.

### ARTICLE I

#### PURPOSES

##### General Purposes

1.01 The Corporation acts on behalf of the City of Montgomery, Texas in furtherance of the public purposes of the Act and may engage in any project authorized under Sec. 2(10) or Sec. 4B of the Act.

##### Powers

1.02 The Corporation has all the powers, both express and implied, granted to corporations governed by Sec. 4B of the Act.

### ARTICLE II

#### OFFICES

##### Principal Office

2.01 The principal office of the corporation in the State of Texas is located at 101 Old Plantersville Road, Montgomery, Texas. The Board of Directors may provide for additional offices or change the location of any office.

##### Registered Office and Agent

2.02 The Corporation shall comply with the requirements of the Act and maintain a registered office and registered agent in Texas. The registered office may, but need not, be identical with the Corporation's principal office in Texas. The Board of Directors may change the registered office and the registered agent as provided in the Act.

### ARTICLE III

#### BOARD OF DIRECTORS

## Management of the Corporation

3.01 The affairs of the Corporation shall be managed by the Board of Directors.

### Number, Qualifications and Tenure of Directors

3.02 The Board of Directors shall consist of seven members appointed by the City Council of the City of Montgomery, Texas, for staggered two year terms of office. At least three (3) directors shall be persons who are not employees, officers or members of the governing body of the City of Montgomery, Texas. Two (2) directors shall be members of the governing body of the City. The terms of four (4) directors shall begin on January 1 of each odd numbered year and expire on December 31 of the next following odd numbered year. The terms of three (3) directors shall begin on January 1 of each even numbered year and expire on December 31 of the next following even numbered year. All directors of the Corporation shall be residents of the County of Montgomery with the majority being residents of the City of Montgomery.

### Vacancies

3.03 A vacancy occurring upon the Board of Directors shall be filled for the unexpired term, *as appointed by the City Council.*

### Annual Meeting

3.04 The annual meeting of the Board of Directors shall be held during <sup>January</sup> the last month of ~~each~~ the corporation's fiscal year. The Board of Directors shall designate the time and location of the annual meeting which shall be held in the principal offices of the corporation.

### Regular Meetings

3.05 The Board of Directors may provide for regular meetings by resolution stating the time and place of such meetings. The meeting shall be held within the City of Montgomery, Texas, at the principal offices of the corporation or at such other location as the Board of Director may designate.

### Special Meetings

3.06 Special meetings of the Board of Director may be called at the request of the president or any two directors. A person or persons calling the meeting shall fix the time and location of the meeting, which meeting shall be conducted within the City of Montgomery, Texas. The person or persons calling a special meeting shall notify the secretary of the Corporation of the information required to be included in the notice of the meeting. In addition to the posting of a meeting notice in accordance with these Bylaws, a copy of each such meeting notice shall be delivered to each director not less than seventy two hours before the time of the meeting. A meeting notice shall be deemed delivered to any director when deposited in the United States mail addressed to the director at his or her address as it appears on the records of

the Corporation. Such additional notice may be waived in writing by a director at any time either before or after the time of the meeting and such additional notice shall be deemed waived the attendance.

#### Notice of Meetings

3.07 The Board of Director shall be considered a "governmental body" within the meaning of Texas Government Code, Sec. 551.001, a notice of each meeting shall be given in accordance with the provisions of Texas Government Code, Chapter 551 (the Texas Open Meetings Act).

#### Quorum

3.08 Four (4) directors shall constitute a quorum for the transaction of business at any meeting of the Board of Director. The presence of a director may not be established by proxy. No business shall be conducted, nor shall any action be taken by the Board of Directors in the absence of a quorum.

#### Duties of Directors

3.09 Director shall exercise ordinary business judgment in managing the affairs of the Corporation. In acting in their official capacity as directors of the Corporation, director shall act in good faith and take actions they reasonably believe to be in the best interest of the Corporation and which are not unlawful and shall refrain from actions not in the best interest of the Corporation or which would be unlawful. A director shall not be liable if, in the exercise of ordinary care, the director acts in good faith relying of written financial and legal statements provided by an accountant or attorney retained by the Corporation.

#### Actions of Board of Directors

3.10 The Board of Directors shall try to act by consensus. However, the vote of a majority of directors present at a meeting at which a quorum is present shall be sufficient to constitute the act of the Board of Directors.

#### Proxy Voting Prohibited

3.11 A director may not vote by proxy.

#### Removal of Directors

3.12 The Board of Directors and each member thereof serves at the pleasure of the City Council of the City of Montgomery, Texas, which may remove any director at any time, either with or without good cause.

## Committees of Directors

3.13 The Board of Directors may by resolution establish one or more special or standing committees of its members. Such committees shall have the powers, duties and responsibilities established by the Board. The committees shall keep regular minutes of their meetings and report the same to the Board of Directors when required.

## ARTICLE IV

### OFFICERS

#### Officer Positions

4.01 The officers of the Corporation shall be a president, a vice president, a secretary, and a treasurer. The Board of Directors may create additional officers positions, define the authorities and duties of such additional positions and appoint persons to fill such positions. No person may hold more than one such office.

#### Elections and Terms of Officers

4.02 The officers of the Corporation shall be elected annually by the Board of Directors at the regular annual meeting.

#### Removal of Officers

4.03 Any officer may be removed by the Board of Directors at any time, with or without good cause. The removal of an officer does not also result in the removal of such person as a director of the Corporation.

#### Vacancies

4.04 A vacancy in any office may be filled by the Board of Directors for the unexpired portion of the officer's term.

#### President

4.05 The president shall be the chief executive officer of the Corporation. The president shall supervise and control all of the business and affairs of the Corporation. The president shall preside at all meetings of Board of Directors. When the execution of any contract or instrument shall have been authorized by the Board of Directors, the president shall execute same except where such power is expressly delegated to another officer of the Corporation. The president shall perform other duties prescribed by the Board of Directors and all duties incident to the office of president.

## Vice president

4.06 When the president is absent, is unable to act, or refuses to act, the vice president shall perform the duties of the president. When acting in place of the president, the vice president shall have all the powers and duties as the president and be subject to all of the limitations and restrictions placed upon the president.

## Secretary

4.07 The Secretary shall:

- a) Give all notices as provided in the bylaws or as required by law.
- b) Take minutes of the meeting of the board of Directors and keep the minutes as part of the corporate records.
- c) Maintain custody of the corporate records, authenticate corporate documents and affix the seal of the Corporation as required.
- d) Keep a register of the mailing address of each director and officer of the Corporation.
- e) Perform duties as assigned by the president or Board of Directors.
- f) Perform all duties incident to the office of secretary.

The Board of Directors may, at their discretion, assign to a member of the City of Montgomery staff the duties of assistant to the Secretary.

## Treasurer

4.08 The Treasurer shall:

- a) Have charge and custody of and be responsible for all funds and securities of the Corporation.
- b) Receive and give receipts for moneys due and payable to the Corporation from any source.
- c) Deposit all moneys in the name of the Corporation in banks, trust companies, or other depositories as provided by these bylaws.
- d) Write checks and disburse funds to discharge obligations of the Corporation.
- e) Maintain the financial books and records of the corporation.
- f) Prepare financial reports at least annually.
- g) Perform other duties as assigned by the Board of Directors.
- h) Perform all duties incident to the office of treasurer.

The Board of Directors may, at their discretion, assign to a member of the City of Montgomery staff the duties of assistant to the Treasurer.

## ARTICLE V

### TRANSACTIONS OF THE CORPORATION

## Contracts

5.01 The Board of Directors may authorize any officer or agents of the Corporation to enter into a contract or execute and deliver any instrument in the name of or on behalf of the Corporation. This authority may be limited to a specific contract or instrument or it may extend to any number and type of possible contracts and instruments.

### Depository

5.02 The Board of Directors of the corporation shall designate a depository bank. All funds of the Corporation shall be deposited with the depository bank.

### Potential Conflicts of Interest

5.03 The members of the Board of Directors are local public officials within the meaning of Texas Government Code Chapter 171. If a director has a substantial interest in a business entity or real property which is the subject of deliberation by the Board of Directors, the director shall file an affidavit with the secretary of the corporation stating the nature and extent of the interest. Such affidavit shall be filed prior to any vote or decision upon the matter by the Board of Directors, and the interested director shall abstain from any vote or decision upon the matter.

## ARTICLE VI

### BOOKS AND RECORDS

#### Required Books and Records

6.01 The Corporation shall keep correct and complete books and records of account. The Corporation's books and records shall include:

- a) A file endorsed copy of all documents filed with the Texas Secretary of State relating to the Corporation, including, but not limited to, the articles of incorporation, any articles of amendment, restated articles, articles of merger, articles of consolidation, and statement of change of registered office or agent.
- b) A copy of the bylaws, and any amended versions or amendments to the bylaws.
- c) Minutes of the proceedings of the Board of Directors.
- d) A list of names and addresses of the directors and officers of the Corporation.
- e) A financial statement showing the assets, liabilities, and net worth of the Corporation at the end of the three most recent fiscal years.
- f) A financial statement showing the income and expenses of the Corporation for the three most recent fiscal years.
- g) All rulings, letters, and other documents relating to the Corporation's federal, state and local tax status.
- h) The Corporation's federal, state and local information or income tax returns for each of the Corporation's three most recent tax years.

#### Records Open to Public

6.02 The Corporation shall be considered a "governmental body" within the meaning of Texas Government Code, Sec. 552.003 and all records of the corporation shall be made available to the public for inspection or reproduction in accordance with the requirements of Texas Government Code, Chapter 552 (The Texas Open Records Act.)



## Audits

6.03 The City Council of the City of Montgomery, Texas may at any time require an independent audit of the Corporation's books to be conducted.

## ARTICLE VII

### FISCAL YEAR

The fiscal year of the corporation shall begin on the first day of October and end on the last day of September.

## ARTICLE VIII AMENDMENTS TO BYLAWS

The bylaws may be altered, amended or repealed by the Board of Directors with the consent of the City Council of the City of Montgomery, Texas.

## ARTICLE IX

### MISCELLANEOUS PROVISIONS

#### Legal Authorities Governing Construction of Bylaws

9.01 The Bylaws shall be construed in accordance with the laws of the State of Texas. All references in the bylaws to statutes, regulations, or other sources of legal authority shall refer to the authorities cited, or their successors, as they may be amended from time to time. It is expressly provided that the provision of the Development Corporation Act of 1979 applicable to corporations governed under Sec. 4B of that Act are incorporated within these bylaws by reference. In the event of any conflict between the applicable provisions of such Act and these bylaws, then the applicable provisions of such Act shall control.

#### Legal Construction

9.02 If any bylaw provision is held to be invalid, illegal or unenforceable in any respect, the invalidity, illegality or unenforceability shall not affect any other provision and the bylaws shall be construed as if the invalid, illegal or unenforceable provision had not been included in the bylaws.

#### Headings

9.03 The headings used in the bylaws are used for convenience and shall not be considered in construing the terms of the bylaws.

Seal

9.04 The Board of Directors may provide for a corporate seal. Such seal would consist of two concentric circles containing the words "Montgomery Economic Development Corporation" and "Texas" in one circle and the "Incorporated" together with the date of incorporation of the Corporation in the other circle.

Parties Bound

9.05 The bylaws shall be binding upon and incur to the benefit of the directors, officers and agents of the Corporation and their respective heirs, executors, administrators, legal representatives, successors and assigns expect as otherwise provided in the bylaws.

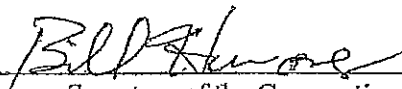
Effective Date

9.06 These bylaws, and any subsequent amendments hereto, shall be effective of and from the date upon which approval has been given both by the Board of Directors and the City Council of the City of Montgomery, Texas.

CERTIFICATE OF SECRETARY

I certify that I am the duly elected and acting secretary of the MONTGOMERY ECONOMIC DEVELOPMENT CORPORATION, and the foregoing Bylaws constitute the Bylaws of the Corporation. These Bylaws were duly amended and adopted at a meeting of the Board of Directors held on the 8<sup>th</sup> day of May, 2015.

Signed this 20<sup>th</sup> day of February, 2015.

  
Secretary of the Corporation



# PROPOSED BY-LAWS

## BYLAWS OF MONTGOMERY ECONOMIC DEVELOPMENT CORPORATION

These Bylaws govern the affairs of MONTGOMERY ECONOMIC DEVELOPMENT CORPORATION (the "Corporation"), a nonprofit corporation organized under Article 5190.6 V.T.C.S., the Development Corporation Act of 1979 (the "Act") and governed by Sec. 4B of the Act.

### ARTICLE I

#### PURPOSES

##### General Purposes

1.01 The Corporation acts on behalf of the City of Montgomery, Texas in furtherance of the public purposes of the Act and may engage in any project authorized under Sec. 2(10) or Sec. 4B of the Act.

##### Powers

1.02 The Corporation has all the powers, both express and implied, granted to corporations governed by Sec. 4B of the Act.

### ARTICLE II

#### OFFICES

##### Principal Office

2.01 The principal office of the corporation in the State of Texas is located at 101 Old Plantersville Road, Montgomery, Texas. The Board of Directors may provide for additional offices or change the location of any office.

##### Registered Office and Agent

2.02 The Corporation shall comply with the requirements of the Act and maintain a registered office and registered agent in Texas. The registered office may, but need not, be identical with the Corporation's principal office in Texas. The Board of Directors may change the registered office and the registered agent as provided in the Act.

### ARTICLE III

#### BOARD OF DIRECTORS

## Management of the Corporation

3.1 The affairs of the Corporation shall be managed by the Board of Directors.

### Number, Qualifications and Tenure of Directors

3.2 The Board of Directors shall consist of seven members appointed by the City Council of the City of Montgomery, Texas, for staggered two year terms of office. At least three (3) directors shall be persons who are not employees, officers or members of the governing body of the City of Montgomery, Texas. Two (2) directors shall be members of the governing body of the City. The terms of four (4) directors shall begin on January 1 of each odd numbered year and expire on December 31 of the next following odd numbered year. The terms of three (3) directors shall begin on January 1 of each even numbered year and expire on December 31 of the next following even numbered year. All directors of the Corporation shall be residents of the County of Montgomery with the majority being residents of the City of Montgomery.

### Vacancies

3.3 A vacancy occurring upon the Board of Directors shall be filled for the unexpired term, *as appointed by the City Council.*

### Annual Meeting

3.4 The annual meeting of the Board of Directors shall be held during January of each fiscal year. The Board of Directors shall designate the time and location of the annual meeting which shall be held in the principal offices of the corporation.

### Regular Meetings

3.5 The Board of Directors may provide for regular meetings by resolution stating the time and place of such meetings. The meeting shall be held within the City of Montgomery, Texas, at the principal offices of the corporation or at such other location as the Board of Director may designate.

### Special Meetings

3.6 Special meetings of the Board of Director may be called at the request of the president or any two directors. A person or persons calling the meeting shall fix the time and location of the meeting, which meeting shall be conducted within the City of Montgomery, Texas. The person or persons calling a special meeting shall notify the secretary of the Corporation of the information required to be included in the notice of the meeting. In addition to the posting of a meeting notice in accordance with these Bylaws, a copy of each such meeting notice shall be delivered to each director not less than seventy two hours before the time of the meeting. A meeting notice shall be deemed delivered to any director when deposited in the United States mail addressed to the director at his or her address as it appears on the records of

the Corporation. Such additional notice may be waived in writing by a director at any time either before or after the time of the meeting and such additional notice shall be deemed waived the attendance.

#### Notice of Meetings

3.7 The Board of Director shall be considered a "governmental body" within the meaning of Texas Government Code, Sec. 551.001, a notice of each meeting shall be given in accordance with the provisions of Texas Government Code, Chapter 551 (the Texas Open Meetings Act).

#### Quorum

3.8 Four (4) directors shall constitute a quorum for the transaction of business at any meeting of the Board of Director. The presence of a director may not be established by proxy. No business shall be conducted, nor shall any action be taken by the Board of Directors in the absence of a quorum .

#### Duties of Directors

3.9 Director shall exercise ordinary business judgment in managing the affairs of the Corporation. In acting in their official capacity as directors of the Corporation, director shall act in good faith and take actions they reasonably believe to be in the best interest of the Corporation and which are not unlawful and shall refrain from actions not in the best interest of the Corporation or which would be unlawful. A director shall not be liable if, in the exercise of ordinary care, the director acts in good faith relying of written financial and legal statements provided by an accountant or attorney retained by the Corporation.

#### Actions of Board of Directors

3.10 The Board of Directors shall try to act by consensus. However, the vote of a majority of directors present at a meeting at which a quorum is present shall be sufficient to constitute the act of the Board of Directors.

#### Proxy Voting Prohibited

3.11 A director may not vote by proxy.

#### Removal of Directors

3.12 The Board of Directors and each member thereof serves at the pleasure of the City Council of the City of Montgomery, Texas, which may remove any director at any time, either with or without good cause.

## Committees of Directors

3.13 The Board of Directors may by resolution establish one or more special or standing committees of its members. Such committees shall have the powers, duties and responsibilities established by the Board. The committees shall keep regular minutes of their meetings and report the same to the Board of Directors when required.

## ARTICLE IV

### OFFICERS

#### Officer Positions

4.1 The officers of the Corporation shall be a president, a vice president, a secretary, and a treasurer. The Board of Directors may create additional officers positions, define the authorities and duties of such additional positions and appoint persons to fill such positions. No person may hold more than one such office.

#### Elections and Terms of Officers

4.2 The officers of the Corporation shall be elected annually by the Board of Directors at the regular annual meeting.

#### Removal of Officers

4.3 Any officer may be removed by the Board of Directors at any time, with or without good cause. The removal of an officer does not also result in the removal of such person as a director of the Corporation.

#### Vacancies

4.4 A vacancy in any office may be filled by the Board of Directors for the unexpired portion of the officer's term.

#### President

4.5 The president shall be the chief executive officer of the Corporation. The president shall supervise and control all of the business and affairs of the Corporation. The president shall preside at all meetings of Board of Directors. When the execution of any contract or instrument shall have been authorized by the Board of Directors, the president shall execute same except where such power is expressly delegated to another officer of the Corporation. The president shall perform other duties prescribed by the Board of Directors and all duties incident to the office of president.

#### Vice president

4.6 When the president is absent, is unable to act, or refuses to act, the vice president shall perform the duties of the president. When acting in place of the president, the vice president shall have all the powers and duties as the president and be subject to all of the limitations and restrictions placed upon the president.

#### Secretary

4.7 The Secretary shall:

- a) Give all notices as provided in the bylaws or as required by law.
- b) Take minutes of the meeting of the board of Directors and keep the minutes as part of the corporate records.
- c) Maintain custody of the corporate records, authenticate corporate documents and affix the seal of the Corporation as required.
- d) Keep a register of the mailing address of each director and officer of the Corporation.
- e) Perform duties as assigned by the president or Board of Directors.
- f) Perform all duties incident to the office of secretary.

The Board of Directors may, at their discretion, assign to a member of the City of Montgomery staff the duties of assistant to the Secretary.

#### Treasurer

4.8 The Treasurer shall:

- a) Have charge and custody of and be responsible for all funds and securities of the Corporation.
- b) Receive and give receipts for moneys due and payable to the Corporation from any source.
- c) Deposit all moneys in the name of the Corporation in banks, trust companies, or other depositories as provided by these bylaws.
- d) Write checks and disburse funds to discharge obligations of the Corporation.
- e) Maintain the financial books and records of the corporation.
- f) Prepare financial reports at least annually.
- g) Perform other duties as assigned by the Board of Directors.
- h) Perform all duties incident to the office of treasurer.

The Board of Directors may, at their discretion, assign to a member of the City of Montgomery staff the duties of assistant to the Treasurer.

### ARTICLE V

#### TRANSACTIONS OF THE CORPORATION

## Contracts

5.1 The Board of Directors may authorize any officer or agents of the Corporation to enter into a contract or execute and deliver any instrument in the name of or on behalf of the Corporation. This authority may be limited to a specific contract or instrument or it may extend to any number and type of possible contracts and instruments.

### Depository

5.2 The Board of Directors of the corporation shall designate a depository bank. All funds of the Corporation shall be deposited with the depository bank.

### Potential Conflicts of Interest

5.3 The members of the Board of Directors are local public officials within the meaning of Texas Government Code Chapter 171. If a director has a substantial interest in a business entity or real property which is the subject of deliberation by the Board of Directors, the director shall file an affidavit with the secretary of the corporation stating the nature and extent of the interest. Such affidavit shall be filed prior to any vote or decision upon the matter by the Board of Directors, and the interested director shall abstain from any vote or decision upon the matter.

## ARTICLE VI

### BOOKS AND RECORDS

#### Required Books and Records

6.1 The Corporation shall keep correct and complete books and records of account. The Corporation's books and records shall include:

- a) A file endorsed copy of all documents filed with the Texas Secretary of State relating to the Corporation, including, but not limited to, the articles of incorporation, any articles of amendment, restated articles, articles of merger, articles of consolidation, and statement of change of registered office or agent.
- b) A copy of the bylaws, and any amended versions or amendments to the bylaws.
- c) Minutes of the proceedings of the Board of Directors.
- d) A list of names and addresses of the directors and officers of the Corporation.
- e) A financial statement showing the assets, liabilities, and net worth of the Corporation at the end of the three most recent fiscal years.
- f) A financial statement showing the income and expenses of the Corporation for the three most recent fiscal years.
- g) All rulings, letters, and other documents relating to the Corporation's federal, state and local tax status.
- h) The Corporation's federal, state and local information or income tax returns for each of the Corporation's three most recent tax years.

#### Records Open to Public

6.2 The Corporation shall be considered a "governmental body" within the meaning of Texas Government Code, Sec. 552.003 and all records of the corporation shall be made available to the public for inspection or reproduction in accordance with the requirements of Texas Government Code, Chapter 552 (The Texas Open Records Act.)



## Audits

6.3 The City Council of the City of Montgomery, Texas may at any time require an independent audit of the Corporation's books to be conducted.

## ARTICLE VII

### FISCAL YEAR

The fiscal year of the corporation shall begin on the first day of October and end on the last day of September.

## ARTICLE VIII AMENDMENTS TO BYLAWS

The bylaws may be altered, amended or repealed by the Board of Directors with the consent of the City Council of the City of Montgomery, Texas.

## ARTICLE IX

### MISCELLANEOUS PROVISIONS

#### Legal Authorities Governing Construction of Bylaws

9.1 The Bylaws shall be construed in accordance with the laws of the State of Texas. All references in the bylaws to statutes, regulations, or other sources of legal authority shall refer to the authorities cited, or their successors, as they may be amended from time to time. It is expressly provided that the provision of the Development Corporation Act of 1979 applicable to corporations governed under Sec. 4B of that Act are incorporated within these bylaws by reference. In the event of any conflict between the applicable provisions of such Act and these bylaws, then the applicable provisions of such Act shall control.

#### Legal Construction

9.2 If any bylaw provision is held to be invalid, illegal or unenforceable in any respect, the invalidity, illegality or unenforceability shall not affect any other provision and the bylaws shall be construed as if the invalid, illegal or unenforceable provision had not been included in the bylaws.

#### Headings

9.3 The headings used in the bylaws are used for convenience and shall not be considered in construing the terms of the bylaws.

Seal

9.04 The Board of Directors may provide for a corporate seal. Such seal would consist of two concentric circles containing the words "Montgomery Economic Development Corporation" and "Texas" in one circle and the "Incorporated" together with the date of incorporation of the Corporation in the other circle.

Parties Bound

9.05 The bylaws shall be binding upon and incur to the benefit of the directors, officers and agents of the Corporation and their respective heirs, executors, administrators, legal representatives, successors and assigns except as otherwise provided in the bylaws.

Effective Date

9.06 These bylaws, and any subsequent amendments hereto, shall be effective of and from the date upon which approval has been given both by the Board of Directors and the City Council of the City of Montgomery, Texas.

CERTIFICATE OF SECRETARY

I certify that I am the duly elected and acting secretary of the MONTGOMERY ECONOMIC DEVELOPMENT CORPORATION, and the foregoing Bylaws constitute the Bylaws of the Corporation. These Bylaws were duly amended and adopted at a meeting of the Board of Directors held on the \_\_\_ day of \_\_\_\_\_, 2018.

Signed this \_\_\_ day of \_\_\_\_\_, 2018.

\_\_\_\_\_  
Secretary of the Corporation



Yates, Jack &lt;jyates@ci.montgomery.tx.us&gt;

**RE: Message from "RNP002673A87377"**

1 message

Larry Foerster <foerster@dfcllp.com>  
To: "Yates, Jack" <jyates@ci.montgomery.tx.us>

Sat, Dec 8, 2018 at 3:30 PM

Jack:

I don't recall whether I ever replied to your email about the MEDC Bylaws, so I am doing so now.

The Bylaws appear to be pretty standard from those I have seen by other EDC's. Probably prepared from form Bylaws provided either the TML or the Texas Comptroller's office.

My only thought is that in referring to a vacancy on the Board, it may be better to note that the vacancy is filled by the City Council (as that is not specified.)

Are there specific questions you or Becky had?

*Larry L. Foerster*

**Darden, Fowler & Creighton, LLP**

**From:** Yates, Jack <jyates@ci.montgomery.tx.us>  
**Sent:** Tuesday, September 11, 2018 12:03 PM  
**To:** Larry Foerster <foerster@dfcllp.com>  
**Cc:** Huss, Rebecca <rhuss@ci.montgomery.tx.us>  
**Subject:** Fwd: Message from "RNP002673A87377"

Larry the MEDC Board would like for you to review the attached Bylaws with the particular consideration as to recent Ethics state law updates-- or in general- what if anything needs to be added regarding an ethics consideration.

Jack



Yates, Jack <jyates@ci.montgomery.tx.us>

**Fwd: Ethics training for elected and appointed city officials**

1 message

Yates, Jack <jyates@ci.montgomery.tx.us>  
To: Jack Yates <jyates@ci.montgomery.tx.us>

Thu, Dec 13, 2018 at 10:50 AM

REGARDING  
ETHICS  
TRAINING

----- Forwarded message -----

From: **Larry Foerster** <foerster@dfcllp.com>  
Date: Tue, Oct 30, 2018 at 2:41 PM  
Subject: RE: Ethics training for elected and appointed city officials  
To: Yates, Jack <jyates@ci.montgomery.tx.us>

That works for me. Just let me know and I can begin working on a handout.

*Larry L. Foerster*

-----  
**From:** Yates, Jack <jyates@ci.montgomery.tx.us>  
**Sent:** Tuesday, October 30, 2018 1:17 PM  
**To:** Larry Foerster <foerster@dfcllp.com>  
**Subject:** Fwd: Ethics training for elected and appointed city officials

All right on the ethics presentation from you. All agree to try to make it at one/two times or Council, P and Z Comm., and MEDC. So, I will be in contact when we will be getting together so it can be worked out with you.

Jack

-----  
On Mon, Oct 29, 2018 at 11:22 AM Yates, Jack <jyates@ci.montgomery.tx.us> wrote:

Yes, I agree.  
*Jack*

Jack

On Mon, Oct 29, 2018 at 11:08 AM Huss, Rebecca <[rhuss@ci.montgomery.tx.us](mailto:rhuss@ci.montgomery.tx.us)> wrote:

So maybe we should request that MEDC members attend the workshop at which the other members would hear the presentation and post it as a possible quorum.

-----  
-----

On Mon, Oct 29, 2018 at 10:32 AM Yates, Jack <[jjyates@ci.montgomery.tx.us](mailto:jjyates@ci.montgomery.tx.us)> wrote:

I agree with you. I will pass Larry's proposal for the 30-minute presentation along to the City Council and Planning Commission, maybe at a workshop we can work it in. I will also schedule Larry Foerster for the November MEDC meeting, unless you want to combine his visit to discuss ethics with another reason that he would be needed at the meeting ( nothing immediately coming up that I know of) but his cost to come out and give the ethics presentation would be approximately \$300 to \$400 for the single-purpose trip -

Jack

-----  
-----

On Mon, Oct 29, 2018 at 10:08 AM Huss, Rebecca <[rhuss@ci.montgomery.tx.us](mailto:rhuss@ci.montgomery.tx.us)> wrote:

I'd like to see it worked into City Council and MEDC agendas as time permits. We can't have enough reminders about the need for ethical behavior and how to do it. Apparently ethical standards aren't something that people always bring to public office when they commit to serve.

-----  
-----

On Mon, Oct 29, 2018 at 9:44 AM Larry Foerster <[foerster@dfcllp.com](mailto:foerster@dfcllp.com)> wrote:

Mayor and Council: *and MEDC (added by Jack)*

I am aware that everyone elected and appointed to a city position is concerned about complying with the maze of ethics laws that a city official must follow. Issues involving TOMA, Nepotism, conflicts of interest, open records requests, etc.



It is becoming increasingly difficult for any public official to know when he/she may be violating an ethics law. The Texas Ethics Commission doesn't provide much meaningful guidance.

The City of Willis does two things to help its city officials:

1. It passed an Ethics Ordinance which was updated in 2017. It is simple but provides some guidance. (The ordinance is attached)
2. About every two years, I am asked to give 30-minute ethics training presentations for the Willis city council, EDC, CDC and Planning Commission. One sample is attached. I have also given the presentation in PowerPoint.

Jack and I can work up a presentation for all the City boards if you wish.

*Larry L. Foerster*

---

*E-mail chain started with me asking Larry Foerster about any Ethics consideration for additions to the MEDC By-laws.*

*Jack*

Montgomery City Council  
AGENDA REPORT

|  |  |
|--|--|
| <b>Meeting Date:</b> December 17, 2018               | <b>Budgeted Amount:</b>  |
| <b>Prepared By:</b> Jack Yates<br>City Administrator | <b>Exhibits:</b> Assignment of Economic<br>Development Agreement |
| <b>Date Prepared:</b> December 13, 2018              |  |

**Subject**

This regards the transfer of the recipient of funds reimbursed on the 380 Agreement that was originally with Milestone Properties Inc., through this Agreement assigns those reimbursements to Kroger, Texas. Because the City and the MEDC are parties to the original 380 Agreement, it is necessary that the City Council and the MEDC Board agree to this assignment.

**Description**

This does not change in any manner the amount paid for the reimbursement for the 380 Agreement - all it does is change the recipient from Milestone (the original developer) to Kroger.  
No payment has been made only 380 Agreement, awaiting this assignment agreement and confirming the sales tax received at the fuel station (which is not part of the 380 Agreement area).

City Attorney Larry Foerster has reviewed the Agreement and approves of the proposed recommendation.

**Recommendation**

Motion to authorize the <sup>President</sup> to execute the Assignment of Economic Development Agreement as presented

**Approved By**

|                    |            |                         |
|--------------------|------------|-------------------------|
| City Administrator | Jack Yates | Date: December 13, 2018 |
|--------------------|------------|-------------------------|

## ASSIGNMENT OF ECONOMIC DEVELOPMENT AGREEMENT

This ASSIGNMENT OF ECONOMIC DEVELOPMENT AGREEMENT (this "Assignment") is entered into by and among MILESTONE PROPERTIES, INC., a Texas for profit corporation ("Assignor"), KROGER TEXAS L.P., an Ohio limited partnership ("Assignee"), the MONTGOMERY ECONOMIC DEVELOPMENT CORPORATION, a Texas 4A development corporation (the "EDC"), and CITY OF MONTGOMERY, a Texas Type-A general law municipality (the "City") effective as of the \_\_\_\_ day of December, 2018 (the "Effective Date"). Assignor, Assignee, EDC and City are hereinafter sometimes referred to individually as a "Party" and collectively as the "Parties."

*WHEREAS*, Assignor, the City, and the EDC are parties to that certain Economic Development Agreement dated June 15, 2015 (the "Incentives Agreement"), a copy of which is attached as Exhibit A;

*WHEREAS*, Assignor, the City, the EDC, and Spirit of Texas Bank, SSB, a Texas state savings bank ("Spirit"), are parties to that certain July 15, 2017 Monument Assignment and Assumption Agreement, a copy of which is attached as Exhibit B, pursuant to which Assignor assigned to Spirit all of Assignor's obligations to the City and EDC under Article II, Section 5 of the Incentives Agreement to construct and maintain a City gateway monument at the corner of State Highway 105 and Lone Star Parkway, and the City and EDC discharged Assignor from all obligations under Article II, Section 5 of the Incentives Agreement;

*WHEREAS*, Assignor and Assignee are parties to that certain Agreement to Assign Incentives dated November 20, 2015 (the "Agreement to Assign"), a copy of which is attached as Exhibit C;

*WHEREAS*, Assignee desires to acquire Assignor's rights, duties, and obligations under the Incentives Agreement, and the Agreement to Assign provides terms and conditions on which Assignor will assign to Assignee all Assignor's rights, duties, and obligations under the Incentives Agreement;

*WHEREAS*, Assignee has satisfied all terms and conditions in the Agreement to Assign necessary to create an obligation for Assignor to assign to Assignee all of Assignor's rights, duties, and obligations under the Incentives Agreement;

*WHEREAS*, the Incentives Agreement authorizes Assignor to assign or transfer its rights (including the right to receive payments), duties and obligations under the Incentives Agreement to any person or entity without prior written approval and consent by the City so long as the Developer is not in default under the terms of this Incentives Agreement and so long as Assignor prior to assigning the Incentives Agreement provides proof acceptable to the City that the assignee is in good standing with the Secretary of State and Comptroller of Public Accounts of Texas and that the assignee is not delinquent in payment of any taxes or other assessments due the State of Texas, Montgomery County, or the City of Montgomery on any other property;

*WHEREAS*, Assignor has provided proof acceptable to the City that Assignee is in good standing with the Secretary of State and Comptroller of Public Accounts of Texas and



that the assignee is not delinquent in payment of any taxes or other assessments due the State of Texas, Montgomery County, or the City of Montgomery on any other property; and

*WHEREAS*, Assignor has requested an instrument acknowledging that Assignor is released from all obligations arising under the Incentives Agreement, and Kroger, the City, and the EDC have agreed to such request..

*NOW, THEREFORE*, for and in consideration of the premises and the mutual covenants and conditions stated herein, the receipt and adequacy of which is hereby acknowledged, the Parties agree as follows:

1. Assignor does hereby assign, transfer, set over and convey unto Assignee all right, title and interest of Assignor in and to the Incentives Agreement, to have and to hold the same unto Assignee, its successors and assigns, and Assignee hereby accepts such assignment.

2. Assignee does hereby assume, and agrees to perform and discharge, all of the responsibilities, conditions, and obligations of Assignor under the Incentives Agreement.

3. After the Effective Date and during the term of the Incentives Agreement, Assignor (i) shall, upon receipt from Assignee of written evidence that the City has made request upon Assignee under Article III, Section A.4. of the Incentives Agreement, use reasonable efforts to provide Assignee an updated list of tenants with respect to any portion of the Project (as such term is defined in the Incentives Agreement) owned by Assignor or an affiliate of Assignor, and (ii) shall provide notice to Assignee of sales by Assignor or any affiliate of Assignor of any portions of the Project (as such term is defined in the Incentives Agreement), such notice to include a description of the parcel that was sold and, if not otherwise prohibited, the identity of the purchaser. Notwithstanding anything to the contrary contained in this Assignment, the Incentives Agreement or elsewhere, Assignor's failure to perform in accordance with this Section 3 shall not constitute a breach or default under this Assignment, the Incentives Agreement or any other agreement to which Assignor or any affiliate of Assignor is a party or to which any portion of the Project is subject.

4. Each of Kroger, the City, and the EDC (a) release Assignor and its affiliates and their respective directors, officers, shareholders, partners, employees, agents, servants, representatives, contractors, subcontractors, affiliates, subsidiaries, successors and assigns from any and all obligations, liabilities, and duties under the Incentives Agreement, and (b) substitute Kroger as, and Kroger assumes the obligations of, the "Developer" in the Incentives Agreement.

5. All exhibits attached to this Agreement are incorporated herein by reference and expressly made part of this Agreement as if copied verbatim.

6. INDEMNITY. ASSIGNEE, FOR ITSELF AND ITS SUCCESSORS AND ASSIGNS IN AND TO THIS ASSIGNMENT OR THE INCENTIVES AGREEMENT RIGHTS, AGREES TO INDEMNIFY, HOLD HARMLESS AND DEFEND EACH AND ALL OF ASSIGNOR, ITS AFFILIATES AND THEIR RESPECTIVE DIRECTORS, OFFICERS, SHAREHOLDERS, PARTNERS, EMPLOYEES, AGENTS, SERVANTS,

REPRESENTATIVES, CONTRACTORS, SUBCONTRACTORS, AFFILIATES, SUBSIDIARIES, SUCCESSORS AND ASSIGNS (COLLECTIVELY, THE "ASSIGNOR PARTIES") FROM AND AGAINST ANY CLAIMS, DAMAGES, EXPENSES, LIABILITIES OR JUDGMENTS, AND ALL OTHER SUMS (INCLUDING COSTS, EXPENSES AND ATTORNEYS' FEES IN DEFENDING THE SAME) WHICH ANY OF THE ASSIGNOR PARTIES PAYS OR BECOMES OBLIGATED TO PAY BY REASON OF ANY DEMAND OR CLAIM OR ASSERTION OF LIABILITY OR ANY CLAIM OR ACTION FOUNDED THEREON WHICH ARISES OR IS ALLEGED TO ARISE OUT OF THIS ASSIGNMENT AND/OR THE INCENTIVES AGREEMENT.

7. All notices and communications hereunder shall be in writing and shall be delivered and shall be transmitted pre-paid by overnight delivery service (such as UPS or Federal Express) to the notice addresses listed below, and notice shall be deemed given upon receipt of the notice by the overnight delivery service.

ASSIGNOR:

Milestone Properties, Inc.  
9800 Richmond Ave., Suite 490  
Houston, Texas 77042  
Attn: Jacobo Malca

with a copy to:

Michael J. Pappert  
Baker Hostetler  
811 Main Street, Suite 1100  
Houston, Texas 77002

ASSIGNEE:

Kroger Texas L.P.  
Corporate Tax Department  
Attn: Economic Incentives and Credits  
1014 Vine Street  
Cincinnati, Ohio 45202

EDC:

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Fill  
in  
Address  
←

CITY:

\_\_\_\_\_  
\_\_\_\_\_

← Fill  
In  
Address

or such other address or addresses which any party may be notified in writing by any other party to this Agreement.

8. The provisions of this Assignment shall be binding upon and shall inure to the benefit of the Parties and their respective successors and assigns.

9. This Assignment is not intended to create, nor shall it be interpreted to in any way create, an agency, employment, partnership, joint venture, or any similar relationship.

10. If any provision under this Assignment shall be invalid, illegal, or unenforceable, it shall not affect or impair the validity, legality and enforceability of any other provision of this Assignment.

11. This Assignment shall be governed by and interpreted in accordance with the laws of the State of Texas without giving effect to principles thereof relating to conflicts of law or rules that would direct the application of the laws of another jurisdiction.

12. This Assignment contains the entire agreement between the Parties concerning the subject matter of the Assignment and incorporates and supersedes all prior understandings and agreements, both written and oral. This Assignment may only be amended or modified by a written instrument signed by the Parties.

13. The applicable venue for any dispute arising hereunder shall be the appropriate district, county, or justice court in and for Montgomery County, Texas.

14. This Assignment may be executed in several counterparts, by separate signature pages, and/or by facsimile, each of which may be deemed an original, and all of such counterparts and/or separate signature pages together shall constitute one and the same Assignment.


ASSIGNMENT OF ECONOMIC DEVELOPMENT AGREEMENT

PAGE 4

*IN WITNESS WHEREOF*, the parties hereto have caused this Assignment to be executed effective as of the date first set forth above.

**ASSIGNOR:**

MILESTONE PROPERTIES, INC., a Texas for-profit corporation.

By:   
Name: Jacobo Malca, President

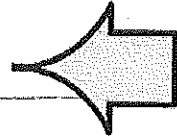
**ASSIGNEE:**

KROGER TEXAS L.P., an Ohio limited partnership, by KRGP INC., its general partner.

By:   
Name: Rick Landrum  
Title: Vice President

**CITY OF MONTGOMERY, TEXAS:**

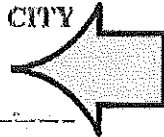
By: \_\_\_\_\_  
Kirk Jones, Mayor



**SIGN  
& DATE**

**MONTGOMERY ECONOMIC  
DEVELOPMENT CORPORATION FOR CITY  
OF MONTGOMERY, TEXAS:**

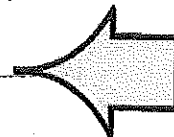
By: \_\_\_\_\_  
Kirk Jones, President



**SIGN  
& DATE**

**ATTEST:**

By: \_\_\_\_\_  
Susan Hensley, City Secretary



**SIGN  
& DATE**

Exhibit A

June 15, 2015 Economic Development Agreement among Milestone Properties, Inc., the City of Montgomery, and the Montgomery Economic Development Corporation.

**Exhibit B**

July 14, 2017, Monument Assignment and Assumption Agreement Among Milestone Properties, Inc., the City of Montgomery, the Montgomery Economic Development Corporation, and Spirit of Texas Bank

**Exhibit C**

November 20, 2015 Agreement to Assign Incentives between Milestone Properties, Inc.  
and Kroger Texas L.P.

Montgomery City Council  
**AGENDA REPORT**

|   |                         |
|---|-------------------------|
| <b>Meeting Date:</b> <i>December 13, 2018</i>                             | <b>Budgeted Amount:</b> |
| <b>Prepared By:</b> Jack Yates<br>City Administrator                      | <b>Exhibits:</b>        |
| <b>Date Prepared:</b> <del>November 16, 2018</del><br><i>December 13,</i> |                         |

**Subject**

This is a discussion about how Katrina Moore, new Director of Marketing and Tourism will develop a work plan for a three month test/methodology, and how she is to report to the MEDC board

**Description**

This will be a new course of action due to a new employee, doing a new undefined job, with a hybrid type of management being accomplished by the MEDC Board based on her monthly status and requests for direction reports to the Board.

Katrina gave a very good summary of how she thought her first few months should go during her interview for the position. I think that presentation to you would help in your direction.

**Recommendation**

Listen to Katrina's ideas, match them to your intentions and tentatively decide a course of action that will probably be amended a few times over the next six months until a manageable pattern is determined best for the MEDC Board and Katrina in being able to best function in the position.

**Approved By**

|                    |            |                                   |
|--------------------|------------|-----------------------------------|
| City Administrator | Jack Yates | Date: <i>December 13,</i><br>2018 |
|--------------------|------------|-----------------------------------|



Montgomery City Council  
**AGENDA REPORT**

|  |  |
|--|--|
| <b>Meeting Date:</b> <i>December 17, 2018</i>                            | <b>Budgeted Amount:</b>  |
| <b>Prepared By:</b> Jack Yates<br>City Administrator                     | <b>Exhibits:</b> MEDC Budget w/line item descriptions,<br>Proposed expenditure process |
| <b>Date Prepared:</b> <del>November 16, 2018</del><br><i>December 13</i> |  |

**Subject**

This is a presentation regarding how expenditures of the MEDC budget could occur - which hopefully gets the MEDC into their approvals without holding up the minor/standard expenditures.

**Description**

Attached is the MEDC budget along with the description of each line item giving the line items purpose, meant just as a reminder. Then attached is my proposed intentions of making any expenditures out of those line items. This is a, in-writing, statement of how expenditures will happen.

**Recommendation**

Review the proposed intentions and amend as you think, then either vote as a formal item or simply direct me in how you want the expenditures to happen.

**Approved By**

|                    |            |  |
|--------------------|------------|--|
| City Administrator | Jack Yates | Date: <i>December 13, 2018</i><br>2018 |
|--------------------|------------|--|

**MONTGOMERY ECONOMIC DEVELOPMENT CORPORATION**

**2018-2019 FY OPERATING BUDGET**

**10/01/18 – 09/30/19**

---

**ADOPTED BY CITY COUNCIL**

**ON**

**OCTOBER 9, 2018**

## MEDC BUDGET - DETAILS

Attached is the Proposed MEDC 2018-2019 Budget. Below is an explanation of each line item intention- I say intention because, please remember that the budget is more than just figures, it is the intended actions of the MEDC from October 1<sup>st</sup>, 2019 to September, 2019.

Not all of these intentions will happen during the upcoming year and there, almost certainly, will be new actions that you will decide to undertake during the upcoming fiscal year.

All of this is to say that the budget is as much a goals policy as a financial plan that can be amended during the year.

You may note that the budget has a planned surplus of expenditures over revenue. That will be the case if every dollar is expended during the year, which is not likely. The MEDC has a current balance of approximately \$748,730.

### Revenues

- Sales Tax -- Sales tax for the city overall is expected to increase.
- Interest Income -- this is interest income from the balance in MEDC funds

Expenses state law states what can come from each category

### Category I ---

- Downtown Improvements -- the thought is that the \$60,000 would be for physical improvements in the downtown Historic District. No specific items are contemplated.
- Utility Extensions -- This figure is the "balancing of the revenues versus expenses" for the MEDC budget -- with no specific utility extensions planned.
- Transfer to debt service. \$160,00 due to another borrowing by the city for water and sewer debts- \$117,000 for 2014 debt and \$53,000 toward TWDB 2017 debt.

## Category II

- Sales Tax Reimbursement -- This is the refund of Kroger 380 sales tax.
- Economic Development Grant Program -- This is where a grant is made to a historic area business or home to make an improvement to their façade, structure or public use aspect of their building. The grant maximum is \$5,000 and are individually applied for and awarded by the MEDC Board.

## Category III

- Seasonal Decorations -- this helps the Civic Association with \$1,600 funding for their lighting of Cedar Brake Park and throughout the City during the holidays. It also allocates \$6,000 for seasonal decorations throughout the City parks.
- Walking tour-This is meant for marketing of the distrix program.
- Removal of Blight - This is for removal of old houses/structures having to do with the appearance of the city. \$15,000 will go toward those removal expenses.
- Events -- This amount is meant for distribution as the MEDC Board determines for the various special events throughout the year in the City.
- Downtown Enhancement Projects—This amount is meant as planning funds for the downtown and historic district streetscape master plan program.

## Category IV

- Brochures Printed Literature - This involves an advertisement and other brochures and promotional materials.
- Website -- This is meant as a partial payment to the new City website that will have MEDC materials on it.

## Category V

- Admin. Transfer to General Fund -- This is what MEDC pays for City support of MEDC, meaning the financial record keeping, my time and overall city support of MEDC economic development matters, and is \$80,000 for the salary, materials, supplies and virtually all costs of hiring a tourism/promotions person to be hired and paid in the General Fund of the City.
- Miscellaneous Expenses - Just as it reads, minor expenses of the MEDC that do not seem to fit into any specific line item budgeted.

- Internship program- a cooperative program with local businesses wherein the local business pays half the paid to the intern and MEDC matches up to \$3,000.
- General consulting (Accounting , Eng., Legal) – This is in case there is some specific engineering or legal work or advice needed for the MEDC due to looking at some specific issue, plus it could pay for the economic development analysis programs that MEDC has done on two recent occasions to analyze requested infrastructure contributions to a specific business.
- Travel and Training Expenses -- Travel for MEDC members or staff to various trainings, seminars, etc.

### Category I

Downtown improvements- No expenditures will be made without MEDC Board approval

Utility extensions – No expenditures will be made without MEDC Board approval

Transfer the debt service – – One- fourth of this amount will be transferred to the city's debt service fund at the beginning of each quarter of the fiscal year

### Category II

Sales tax reimbursement – – This amount will be calculated correctly and then reported to the MEDC Board, for the expenditure if timely, otherwise reported to the Board.

Economic development grant program – No expenditures will be made without MEDC Board approval.

### Category III

Seasonal decorations -- Primarily this is ordered and placed by the public works department of the city, without MEDC Board direction. \$1,600 of this budget is directed for the Civic Association who, I would think, would not be required to come before receiving these funds- the funds are always spent on awards for the lighting contest and for the one event of the Christmas lighting at Cedar Brake Park- with a not to exceed the \$1,600 amount.

Walking tour –This is meant for marketing for the Distrix program. There may be small purchases that will be needed between MEDC Board meetings. If at all possible, no purchases will be made without the MEDC Board approval.

Removal of blight – This category has generally been used for three reasons;

1.-Demolition of a old dilapidated building for which there is always two estimates and that the City Administrator has handled as a contractual arrangement with one payment upon completion and acceptance without MEDC Board approval.

2. Payment for 20 and 30 yd.<sup>3</sup> large dumpsters for lot or demolition materials removal. This is also been a City Administrator decision without MEDC Board approval.

3. Payment to local lumber yards for supplies/materials for renovation repairs to old/in ill repair houses located inside the city with the labor provided by local churches specifically China Church and Fellowship Church. Receipts are required for each of the materials and supplies noting the location of the improvements were the supplies and materials were used to assure they are inside the city. This has been a city administrator decision without MEDC Board approval.

Events- My suggestion on this is to get a budget for every event approved by the MEDC Board before any funds are spent. This is whether the event is a city sponsored event or an outside group asking for support.

Downtown enhancement projects – No expenditures were made without MEDC Board approval. My intent on this category is to prepare a working budget, get the MEDC Board approval for that working budget and then use that budget for spending funds.

#### Category IV

Brochures/Printed Literature -- There may be small purchases that will be needed between MEDC Board meetings. If at all possible, no purchases will be made without the MEDC Board approval.

Website -- this is meant as a partial payment to the new city website that will have MEDC materials on that website. No expenditure will be made without MEDC Board approval.

#### Category V

Administrator transfer to General Fund -- This is the \$107,500 divided by 12 and transferred monthly from MEDC to City General Fund.

Miscellaneous expenses -- These are incidental, expected expenses, not lending to prior MEDC Board approval.

Internship program -- No expenditure will be made without MEDC Board approval.

General Consulting (accounting engineering and legal) -- Generally the Board will know about any need for legal opinion or engineering work, however a legal question may come up during the time between MEDC meetings -- so every attempt will be made so the MEDC Board knows about upcoming questions/issues, but due to the timing of the answer various questions, these funds may occasionally may be needed to be spent without MEDC Board approval.

Travel and training expenses -- A \$75 per month travel allowance is recommended for the Marketing and Tourism position for travel inside the County. Outside the County would be paid per mile. Training of almost any significance would be requested of the MEDC Board before the event.



# **CITY OF MONTGOMERY**

## **Development Status Report**

**By: Jack Yates, City Administrator**

*December 5, 2018*

 = New Addition since 9-13-2018 edition



**KENROCK Property** – This is the approximately 13-acre piece of property that lies immediately west of Pizza Shack and east of the property being developed on the northeast corner of Highway 105 and Lone Star Pkwy.

The Plat for this project has three pad sites on the Highway 105 frontage and one 16,000 ft. building in one 24,000 ft. building on the north side of this property. The development of Dusty's Car Wash is now in the construction stage. It is a \$2 million dollar improvement according to their building permit.

They have started the dirt moving part of construction in the middle part of this tract on what will be a stand alone retail strip center . On the extreme west side of this development will be a Wendy's Restaurant- in very early stages of planning now.

Two accesses to the entirety of the property will be off Highway 105 and they will also share a driveway with the developer of the northeast corner of 105 and Lone Star Parkway for their Lone Star Parkway access.

**Montgomery First Shopping Area- Northeast Corner of SH105 and Lone Star Parkway** - This is a strip center of approximately 20,000 sq. ft. One third of the building is an emergency medical clinic and another one third a dentist office. The pet supply store between the dentist office in the clinic had their opening in mid-May. A Mammography testing site will finish out this sites development.

**Southeast Corner of Highway 105 and FM 2854** – This is the HEB corner. HEB representatives met with the city engineers and myself about eighteen months ago and said at that time that they were probably two years away from getting serious about building, so no speculation at all about when they may build.

**Peter Hill Annexation** – This is a 3.22-acre tract that is immediately south of SH 105 across from Pizza Shack. The total property is approximately 5 acres but 1.8 acres of the property is in the Conroe ETJ, and Conroe would not give up their right to annex.

That left the 3.22 to be annexed into the City of Montgomery. The plan is for businesses to be located on the total 5 acres. In the 3.22 portion located in the City, what is planned is an exercise gym and a tire repair/replacement shop. The owner is saying he is anxious to get started, but as of this date they have not obtained a

building permit. The zoning of this property was approved for “B” Commercial by the Council

**Kroger Site** - They have approximately six pad sites on their property near Highway 105 and Lone Star Parkway. A Burger King restaurant is in the Kroger Center. The other businesses that is in the retail center next to Kroger is Great Clips, Halo and Coiffure, Malibu Nails and Spa, Massage Envy, Everbright Dental, Taste of China restaurant, and a Stoney’s Liquor. There are two empty spaces remaining.

**West of Kroger/East of Buffalo Springs Road** - The developers have placed their interior water and sewer and other interior property utilities now. Blu-Wave Car Wash has started turning dirt at the southeast corner of the tract. Otherwise the site plan shows a strip center similar to the Kroger strip center and three pad sites up closer to SH 105.

**Southwest corner of FM 2854 and State Highway 105-** This 26-acre property Developer just reached approval of a development agreement with the City Council. A CVS drugstore is getting built on the far east pad site. Construction work began in July with a March completion date planned.

The City’s 380 Agreement includes relocation of the Lift Station #1 and getting about ¾ of an acre of land for an addition to the Sewer Treatment Plant. This is part of a 380 Agreement between the Developer and the city with their utility feasibility study amount of approx. \$430,000 with the Developer paying \$200,00 toward the relocation of L.S. #1 to open up more developable property since the LS is roughly in the middle of their property now. All totaled, the city is rebating one-half of one cent of the two cents sales tax generated by the entire development to total 1.1 million dollars, or ten years whichever comes first, while the city is receiving approximately \$850,000 of payments from the Developer. A major announcement regarding a much-anticipated restaurant is expected soon for this tract of land.

**South Loop around State Highway 105** – As the city continues to grow, traffic on Highway 105 and FM 149 will continue to get more congested. The City and Montgomery County Commissioners agreed late summer of 2017 to pay for a Mobility Study for the City and the immediate area. The Mobility Study was accepted by the City Council in late-January. One of the items in the Study is the need for a south loop extending from 2854 to Highway 105 west of the city. The loop would probably be outside the city south of the present city limits but could be annexed into the city as time/circumstances allow. The reason to do the planning for

the loop now is as development occurs in area of the loop land can be set aside for the right-of-way for the ultimate paving of the road.

**North Loop around SH 105** -- The City Council at its December, 2017 meeting directed the City Administrator and Jones/Carter Engineering to start coordination work with the Houston Galveston Area Council to get either the northern loop and/or the southern loop on the Transportation Improvement Program (TIP) that will provide either 80% funding or 90% funding for these projects. Getting on the TIP involves probably several years of planning to get into the multiyear planning program. The TIP program is how major funding happens for major roads in the region. The first of this coordination work will begin in late-February this week with a meeting at the Houston regional office with TxDOT, HGAC, Montgomery County and City representatives at the first planning meeting.

The first meeting went well with very broad discussions toward what will probably be a four-year program of planning and funding arrangements

**Expansion of Sewer Plant Area** – The City has received State Department of Environmental Quality approval of a discharge permit for the sewage treatment plant located at the end of Buffalo Springs Road south of Highway 105. At the same time a discharge permit was approved for what is called the Stewart Creek Treatment Plant, the former treatment plant site that has been taken out of operation for about 10 years.

The Sewer Master Plan completed in March 2016 - presented a scenario to where the Stewart Creek Plant was put back in operation. By applying for both discharge permits that leaves that option open.

The need for additional treatment capacity, we think, is 3 to 5 years away -- allowing time to make a decision about whether or not to expand the Buffalo Springs site or to put the Stewart Creek Plant back into operation.

Part of the Texas Water Development Board borrowing that happened summer, 2017, is to improve lift station number one that now feeds all the city sewage into the Buffalo Springs site. The decision regarding the sewer plant expansion/Stewart Creek operating will probably be in the next 1 to 2 years.

Right now, the sewer plant has a permitted capacity of 400,000 gallons per day with a current usage of approximately 135,000 gallons per day. However, state regulations



say that you need to be in the planning/designing stage at 60% of capacity (240,000 gallons per day) and in construction and 80% of capacity (320,000 gallons per day). With the addition of approximately 75 houses per year plus all the commercial development is not hard to imagine us doubling our flow in the next 3-4 years. How that will be paid for is another entirely different subject.

**Spirit of Texas Bank** -- The groundbreaking at the northeast intersection of 105 and Lone Star Pkwy. was September 5, and construction is moving along rapidly. They are supposedly shooting for a **March/April** opening.

**McCoy's Lumber Development** – McCoy's has developed into the #2 sales tax payer in the City. No movement on their other three pad lots around them.

**Ransom's Area Development**- Phillip LeFevre has developed an area for soccer fields immediately north of the Ransom's Restaurant. The Montgomery Soccer Club is having tournaments and league play there.

**Ferland Historic Park** - The Park continues to be popular. The individual visits are increasing as are tours – this September there were 363 visitors and 35 tours were noted by the Docents at the Park.

**Memory Park** – The Lake Conroe Rotary Club continues to do an excellent job with making improvements, maintaining and essentially managing the Park. They continue to put tens of thousands of dollars into the park every year with the City funding the park maintenance/overall expenses of approximately \$20,000 per year.

**Downtown Walk Ability/Improvement Plan** – This will be an effort to plan for sidewalks, drainage, parking, landscaping with the ornamental lights and overall making it easier to park and get around downtown. Downtown is thought to be the heart and soul of the city and what will keep the Montgomery atmosphere after all of the new development happens. The plan is under way now, funded by the Montgomery Economic Development Corporation. Upon receipt of a plan the intention is to meet with the downtown property owners, the general public and others to decide on a street by street detailed plan of action.

The first of these projects is the downtown parking area South of the Cozy Grape Restaurant. The city leased the area all the way from Cozy Grape Restaurant South to Caroline Street with the MEDC paying for the parking paving and landscaping

around the area. The second project is the Jacobs/Rose parking area on the north end of that same block.

**Hodge Podge Lodge** – The owner, Jeff Angelo, has improved and enlarged his kitchen area for what is becoming an event center and has hired the Chef away from the Walden Yacht Club. He is now serving breakfast and lunch, I believe, Tuesday through Saturday of every week.

**Montgomery Trace Shopping Center** – The Center recently was sold to another investor. Brookshire Brothers has renewed its lease and also just received a sizeable building permit for several instore upgrades. I think we are all glad that they are able to carve out a market for themselves with Kroger so they can continue their excellent business that they have supported Montgomery with for all these years. An Uncle Bob's Barbecue Restaurant opened mid-May. A Nails and Spa of Montgomery is in Suite G.

**Heritage Senior Apartments** – The next phase of the apartments, for seniors only is now underway. There will be approximately 80 apartments and 6 to 8 "cottages" which are four-plex units at ground level.

**Montgomery on Eva Strip Center** --A nail salon, a T-Mobile shop and a mattress sales business is now open, filling in the Center.

**Madsen Commercial building**—This is the new building on South FM 149 adjacent to the pond north of the MISD bus barn. The building has dog training and auto mechanic businesses

**Baja Street Project** - A Community Development Block Grant has been awarded from the state for repaving of Baja Street, replacing a water line and improving the ditches along Baja - and replacing some water line on Martin Luther King Blvd. \$26,000 cash match is required for the \$350,000 our grant. The bid for this work was approved in October with work expected to begin the last week of November and to be completed by the end of February, 2019..

**Blight Removal in the Northwest Area** – Over the past two years eight structures have been torn down and removed. One more removal happened during October.



All of these were with the permission of the owner and demolition costs were paid for by the Montgomery Economic Development Corporation, to the furthering of removal of blight for the overall economic improvement to the city.

**HOME Grant** --The City Council, at its May 9<sup>th</sup> meeting approved an application to be made for the state of Texas HOME project. This will fund up to eleven new replacement houses or major renovation) for those who qualify. The qualifications are: have income below the 80% of the average income for the area, be the owner of the house where the person now lives, have a clear title to the property where the new house would go. Preliminary review of the applications have eight that may qualify for the new houses.

The grant has no local match, but MEDC has said that they will front any incidental costs and any cost required by the grant.

The timing of the project is (approximately - remember this is the government and there is lots of coordination that needs to happen): verify qualified awardees in July, coordinate house design in August/September, take bids for house builders in October, finish building in January, move-in of residents in February, paperwork compilation/project closeout in January, 2019.

A meeting was held Thursday, April 19 at the City Hall for all that had applied for the new homes. Prior to the meeting, the 30-day open application period started on Tuesday, March 20.

Each house involves approximately \$100,000 in funding, administration, and cost of legal work, site preparation and construction of the house.

At this point it appears as though 3 to 4 people have qualified for the continuation of the process of getting approved for the new homes.

**FM 149 Road Improvement** – The city staff has been having monthly meetings with TxDOT design engineers.

There have been meetings with TxDOT, individual property owners and businesses over the past several months.

The Council passed a Resolution on July 10<sup>th</sup> asking TxDOT to proceed as quickly as possible in the SH 1052 Caroline St. section that includes the addition of right-hand and left-hand turn Lane zone FM 149 as it approaches 105, and to start on the FM 149 project from Clepper Street north to the FM 1097/FM 149 intersection. For the Caroline Street to Clepper section of the project the Council is requesting TxDOT to wait on this portion of the project until the downtown development streetscape

plan is approved by the Council. The Council has directed the city planning commission to work with the community to develop streetscape plan within the next 12 months.

**Buffalo Springs Bridge** – The status of the bridge repair is that the bridge is now open and work is essentially complete, with only punch last items remaining.

The Contractor is over his allotted time to complete the project is is being assessed \$250. per day of damages.

The project is funded by FEMA based on FEMA share of 75% of the actual contract price of the project. No city funds were necessary to be spent on this approximately \$1.4 million project due to the FEMA payment and CDBG-DR (state of Texas) grant..

A Disaster Relief Community Development Block Grant application for \$300,000 has been awarded and used that goes towards the city's 25% share of the bridge repair.

**Land-Use Plan** - A land-use plan is an overall broad – based view of how the land use in and around the city in the ETJ area is to be planned. It is not a zoning map although it is often used as a basis for zoning. The City Council approved the Plan.

Another reason to do this process is to plan for where low density versus high density residential properties may be developed in the city. The Planning Commission and Council have discussed a pre-planned determination of where in the city they would be with agreeable to low density development. By doing this pre-planning the Council and the developer has an idea about how the area should be developed rather than on a one by one application/determination basis.

**Town Creek Addition Section Three** - This is the new 48 lot addition immediately west of Town Creek Apartments off Emma's Way. Style Craft builders are also building in Section Three.

**Terra Vista Addition** - This is the new 36 lot addition immediately south of Summit Business Park on FM 1097. There are now 16 housing starts in the subdivision.



**Rezoning of Property inside the City** - This is an action of the Planning and Zoning Commission to rezone five properties inside the city, primarily on the S Hi105, where the current zoning does not fit the current need for the development of the property. The Planning Commission has an idea of what they intend to rezone, but they are going to invite the property owners of the properties being considered to a discussion before starting the formal public hearing process. This discussion is planned for their June meeting. Then determining on the result of those discussions, the Commission will decide which properties to actually initiate rezoning.

**Town Creek Self Storage Units Completed** -- The Town Creek Self Storage Unit complex is open for use. Chris Cheatham is the builder/owner of the units. The Units have 251 rental spaces available (165 climate controlled and 86 nonclimate controlled), sizes ranging from 5' x 5' up to 10' x 30' with 24-hour high tech security and gated access code. In the convenient location on 22852 SH 105 and next to the Town Creek Apartments, across the street from Montgomery High School.

**Emma's Way –Extension to Lone Star Pkwy.** -- The thought here is for Emma's Way to get another extension with the next subdivision—then at some point the city and the MISD pay for the balance of the extension all the way up to Lone Star Pkwy. The cost of the city/school extension is estimated at \$600,000. The discussion up to now has been that the school and the city would roughly split that \$600,000. With the basis for that being that Emma's Way will serve the football stadium facility running alongside their Western boundary. The City's desire is simply to get a through street direct from the high school to encourage traffic to Lone Star Pkwy. to relieve some traffic on State Highway 105. The discussions for this project will probably come back up after the subdivision's extension of Emma's Way that is happening now, with completion expected in **January, 2019**.

An extension to Emma's Way of approximately 600' is nearing approval for the purpose of serving Town Creek Subdivision Section III.

**Shanon Salsbury New Office at Waterstone** – Shanon is in a new office building for his insurance office with two additional lease spaces. Mr. Salsbury is immediately north and east of the Buffalo Springs Bridge on Buffalo Springs Road. His long-range plan, he told me, calls for another strip office space center on the north side of Buffalo Spring Road across from his new office.



**Texas Water Development Board – Funding** -- The TWDB has provided funding of 2.8 million for water and sewer work. The projects are-- for water; connection of the 12-inch line north of Clepper to the 12-inch line immediately west of Cedar Brake Park (which should help the water pressure on the western side of the city and eliminates the six-inch bottleneck in the system), improvements at Well #3 the Catahoula well (that we think will increase production about 25%). For sewer: Lift Station #1 upgrades ( all the sewage in the city goes through this station which is already operating beyond design capacity), Lift Station #3 Force Main Reroute will serve to eliminate the need for another lift station and secures capacity in the system). All of the projects are in engineering design now, with a start date for completion of the design and construction to be begin mid-January.

**General Land Office possible grant** – In late May, 2017 we found out about a 22 million dollar grant that had been offered to Montgomery County from the Texas General Land Office (GLO) for flood related damages. Montgomery was one of six Counties in the state that the GLO had selected because of having the worse flood damages in the past two years. The county organized the GLO offer within the county for how the funds should be allocated. The County, after discussing with the cities in the County and two or three housing groups in the County, decided that the funds should be distributed based on the amount of FEMA damages and the amount of low income in the area involved. The City of Montgomery had the most damage of any city in the County.

As such Montgomery was “allocated” \$2.2 million dollars of GLO dollars. This “allocation” is not a grant, the actual application is made by the City to the GLO, but the money set aside for the City so long as we apply for “correct” type of projects. The GLO grant funds can be used for drainage, water and sewer, generators, and the 25% City match monies spent already on FEMA projects.

The GLO application is prepared and was filed at the end of March. GrantWorks will be the grant writer and administrator of the grant and Jones/Carter is the engineer on the project.



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December 7, 2018

The Honorable Mayor and City Council  
City of Montgomery  
101 Old Plantersville Road  
Montgomery, Texas 77316

Re: Engineering Report  
Council Meeting: December 11, 2018  
City of Montgomery

Dear Mayor and Council:

The following information summarizes our activities on your behalf since the October 23, 2018 Council Meeting:

**Status of Previously Authorized Projects:**

All projects discussed below are included in the enclosed master schedule and maps of active developments and capital projects.

**a) Buffalo Springs Drive Bridge Repair (FEMA)**

The contractor has completed construction and the road is open for use. We held a final inspection on November 2<sup>nd</sup>, and the contractor has addressed all punch list items. We received and approved Pay Estimate No. 10 in the amount of \$146,631.59 to Glenn Fuqua, Inc. We also prepared and approved Change Order No. 3 to account for the final quantity adjustments and additional impact days. The change order resulted in a \$13,758.70 increase to the construction contract amount and 13 additional days to the contract. After the inclusion of the additional 13 days, the contractor will be assessed 86 days of liquidated damages, totaling \$21,500.00 (\$250 per day per the contract). The damages will be deducted from the final pay estimate for the project.

**b) Water Distribution System Analysis and Master Plan - CP No. 2, 12-inch Waterline Across Town Creek Bridge**

The contractor is substantially complete with construction and the waterline is in service. We held a final inspection on November 28<sup>th</sup> and the contractor is working to address all punch list items. We received and approved Pay Estimate No. 1 in the amount of \$83,140.33 to Spartan Direct Solutions, LLC.

**c) Water Distribution System Analysis and Master Plan – CP No. 3 – Downtown and SH-105 Waterline Replacement**

As a reminder, this project is included in the TWDB Drinking Water State Revolving Fund (“DWSRF”) loan. We submitted the Engineering Feasibility Report to the TWDB on October 30<sup>th</sup> and are coordinating with the TWDB to receive approval. We expect to complete the design this month and receive plan approval in January 2019. We expect construction to begin in March 2019.



**Status of Previously Authorized Projects (cont.):**

- d) **Water Distribution System Analysis and Master Plan – CP No. 9 - Water Plant No. 3 Improvements**  
As a reminder, this project is included in the TWDB DWSRF loan. This project has been delayed due other City projects taking priority but is moving forward again. We expect to complete the design and receive all plan approvals in spring 2019.
- e) **Water Distribution System Analysis and Master Plan-CP No. 1, Water Plant No. 2 GST Backfill**  
As a reminder, this project will be rebid with the Water Plant No. 3 Improvements project.
- f) **Sanitary Sewer System Analysis and Master Plan – CP No. 3b – Lift Station No. 1 Replacement**  
As a reminder, this project is included in the TWDB Clean Water State Revolving Fund (“CWSRF”) loan. The design is substantially complete and we are working with the TWDB for final approval.
- g) **Sanitary Sewer System Analysis and Master Plan – CP No. 10 – Lift Station No. 3 Force Main Re-Route**  
As a reminder, this project is included in TWDB CWSRF loan. The design is substantially complete, has received TxDOT approval, and is under final internal review before undergoing TWDB review. We expect construction to begin in Early 2019.
- h) **18” Gravity Sanitary Sewer Extension**  
The contractor is substantially complete with construction of the sanitary sewer pipe, and we are completing all testing. We received and approved Pay Estimate No. 2 in the amount of \$218,539.17 to Randy Roan Construction, Inc. and are preparing Pay Estimate No. 3.
- i) **Baja Road Water and Drainage Improvements (CDBG)**  
We held a pre-construction meeting for the project on November 27<sup>th</sup> at City Hall and issued a Notice to Proceed on November 30<sup>th</sup>. It is our understanding the contractor has mobilized onsite and is beginning work. As a reminder, the contract period of performance will end on January 29, 2019. We are coordinating with the City Administrator to discuss potential options for Phase II of the project.
- j) **Baja Road Rehabilitation (FEMA)**  
We received bids for the project on November 29<sup>th</sup> at City hall. Enclosed under separate cover is a letter to Council regarding the receipt of bids for the Baja Road Rehabilitation project. The bids received were significantly higher than the original cost estimate, and we recommend not awarding the contract to the low base bidder and rebidding the project.

**Agenda Item** – Consideration and possible action regarding award and execution of construction contracts for the Baja Road Rehabilitation project.

**Status of Previously Authorized Projects (cont.):****k) Atkins Creek Water, Sanitary, and Storm Sewer Repairs (FEMA)**

We have completed the required drainage and scour analysis, are substantially complete with the plans and have submitted the application for a Nationwide permit to the US Army Corps of Engineers for review. During a weekly conference call with FEMA on December 4<sup>th</sup>, the City was informed that FEMA only determined there was approximately \$68,000 in damages to put the project back to the pre-disaster condition, therefore they would not approve the mitigated project. Enclosed for your reference are the current cost estimates we prepared for the pre-disaster and mitigated projects. As we have discussed previously it is not possible to put the project back to its pre-disaster condition due since you only fill a 40-foot-wide section of the 1,600 feet that has been lost. We discussed this with FEMA on December 7<sup>th</sup> and they are reevaluating the estimated cost and alternatives to move forward with the project.

**l) GLO Projects**

We received Request for Information No. 2 on October 25<sup>th</sup> and worked with the City Administrator and GrantWorks to provide a response on November 1<sup>st</sup>. We are continuing to coordinate with GrantWorks to determine when funds will become available.

**Existing and Upcoming Developments:****a) Feasibility Studies**

There are no active feasibility studies at this time.

**b) Plan Reviews**

- i. **Peter Hill Public Infrastructure** – We received revised plans on July 3<sup>rd</sup> and await the deposit of funds from the developer before proceeding with our review.
- ii. **Shoppes at Montgomery, Phase II** – We received revised plans on November 8<sup>th</sup>. All outstanding comments are related to the City's tree ordinance that is currently under review. We returned our comments, based on the current tree ordinance, on December 7<sup>th</sup>.
- iii. **Exxon Eva Street** – We received plans on August 28<sup>th</sup> and returned our comments on October 17<sup>th</sup> after discussing requirements to be shown on the plans. It is our understanding the City Administrator plans to meet with the developer to discuss acquiring additional right-of-way for TxDOT.
- iv. **Wendy's (Haza Foods)** – We did not receive revised plans this month.
- v. **Living Savior Lutheran Church** – We received plans on October 25<sup>th</sup> and returned our comments to the plans on November 7<sup>th</sup>.
- vi. **Best Donuts (Samdana Investments)** – We received plans on October 19<sup>th</sup> and returned our comments to the plans on November 7<sup>th</sup>.

c) **Plat Reviews**

- i. **Samdana Investments Minor Plat** – We did not receive a revised plat this month.

d) **Ongoing Construction**

- i. **Hills of Town Creek, Section 3** – Construction on the public improvements to serve the development is substantially complete. We performed a final inspection on the infrastructure on December 4<sup>th</sup> and are preparing the punch list to submit to the contractor.

**Ongoing Construction (cont.):**

- ii. **Emma's Way** – We completed a punch list inspection on December 4<sup>th</sup> to determine if all punch list items have been addressed. The contractor is working to address the remaining punch list items that were not addressed prior to the inspection.
- iii. **Shoppes at Montgomery, Phase I** – It is our understanding the contractor is substantially complete with construction of the public infrastructure. We are working to schedule a final inspection for the work.

e) **One-Year Warranty Inspections**

- i. **Lift Station No. 14** – We are working with Public Works and Gulf Utilities to bring the lift station to the proper specifications with the funds deposited by the developer for the replacement pumps.
- ii. **Gardner Drive** – We conducted a one-year warranty inspection for the public infrastructure installed on August 28<sup>th</sup>. We confirmed that all punch list items have been addressed, and we recommend acceptance of the infrastructure and release of all maintenance bonds.

*Agenda Item* – Consideration and possible action regarding completion of a one-year warranty period and release of maintenance bond for the Gardner Drive Public Road, Public Waterline, Public Sanitary Sewer, and Public Storm Sewer project.

- iii. **Lake Creek Village, Section 3** – We conducted one-year warranty inspection for the public infrastructure on October 19<sup>th</sup>. It is our understanding the contractor is working to address all punch list items.
- iv. **Flagship Boulevard Pavement Repair** – We conducted a one-year warranty inspection for the public infrastructure installed on November 14<sup>th</sup>. No punch list items were identified at the inspection, and we recommend acceptance of the infrastructure and release of all maintenance bonds.

*Agenda Item* – Consideration and possible action regarding completion of a one-year warranty period and release of maintenance bond for the Flagship Boulevard Pavement Repairs project.





- v. **Heritage Place Medical Center 12" Waterline** – We conducted a one-year warranty inspection for the public infrastructure installed on November 6<sup>th</sup>. We confirmed that all punch list items have been addressed, and we recommend acceptance of the infrastructure and release of all maintenance bonds.

*Agenda Item* – Consideration and possible action regarding completion of a one-year warranty period and release of maintenance bond for the Heritage Place Medical Center 12" Waterline project.

- vi. **Buffalo Springs Shopping Center Phase II Public Water and Sanitary Sewer** - We conducted a one-year warranty inspection for the public infrastructure installed on November 6<sup>th</sup>. It is our understanding the contractor is working to address all punch list items.

**Meetings and Ongoing Activities:**

- a) **Lone Star Parkway Transportation Improvement Plan (TIP)** – We are working with the H-GAC to discuss planning for the possible acceptance Lone Star Parkway by TxDOT in the future. We attended a meeting with TxDOT on November 6<sup>th</sup> to discuss including the project on TxDOT's Regional Transportation Plan before including it on the H-GAC TIP.
- b) **2018 Annual Water Plant Inspection** – We completed the 2018 annual water plant inspection of Water Plant Nos. 2 and 3 on November 6<sup>th</sup> and completed the electrical portion of the inspection on November 15<sup>th</sup>. We are preparing the report of our findings and plan to present our recommendations at your January 8<sup>th</sup> Council meeting.
- c) **FM 149 Southbound Turn Lane** – It is our understanding the City Administrator is planning to meet with the owner of the Exxon at the northwest corner of the FM 149/SH-105 intersection to discuss obtaining the additional right-of-way required to construct a southbound right turn lane.
- d) **Weekly Operations Conference Call** – We continue hosting a weekly conference call with representatives from Gulf Utility Service, Inc. and City Staff. Items of note discussed during the previous month included receiving estimates for repairs to Lift Station No. 14, updates on various warranty inspections, general updates on all active design and construction projects, and general operations of the City's water and sanitary sewer facilities.

Please contact Katherine Vu or me if you have any questions.

Sincerely,



Chris Roznovsky, PE  
Engineer for the City

CVR/kmv

K:\W5841\W5841-0900-00 General Consultation\Meeting Files\Status Reports\2018\Engineer's Reports\Engineer's Report 12-11-18.docx

Enclosures:

Atkins Creek Cost Estimates  
Active Capital Projects Map  
Active Developments Map

Cc (via email):

The Planning and Zoning Commission – City of Montgomery  
Mr. Jack Yates – City of Montgomery, City Administrator  
Ms. Susan Hensley – City of Montgomery, City Secretary  
Mr. Larry Foerster – Darden, Fowler & Creighton, LLP, City Attorney



# Construction Contract Change Order

**A505**

Grant Recipient: City of Montgomery Select:  City  County  
 Contract No.: 7215112 Change Order No.: 3 Region: HGAC

**Contractor:**

Glenn Fuqua, Inc.  
 P.O. Box 589  
 Navasota, TX 77868

**Engineer:**

Jones & Carter, Inc.  
 1575 Sawdust Road, Suite 400  
 The Woodlands, TX 77380

Select Change Order Type(s):  Change to Existing Line Items  New Items Requested  Change in Contract Duration

Grant recipient is requesting Texas Department of Agriculture review to determine eligibility of change order expenses.

**Changes to Existing Line Items (Items from original bid or added in previous change order ONLY)**

| Bid Item #                 | Item Description        | Original Qty. | Proposed Qty. | UOM | Unit Price | Δ Qty. | Change in Contract Price | + |
|----------------------------|-------------------------|---------------|---------------|-----|------------|--------|--------------------------|---|
| 35                         | Installation of 2" HMAC | 426           | 934           | SY  | \$21.40    | 508    | \$10,871.20              |   |
| 44                         | Hydromulch Seeding      | 1             | 3.25          | AC  | \$1,950.00 | 2.25   | \$4,387.50               |   |
| 45                         | Anchored Sod            | 300           | 0             | SY  | \$5.00     | -300   | (\$1,500.00)             |   |
| Contract Change Sub-Total: |                         |               |               |     |            |        | \$13,758.70              |   |

**Change in Contract Duration**

Provide explanation below (attach separate documentation as necessary).

Addition of 13 days due weather delays on project in September & October 2018

Original Contract End Date: 7/2/2018  
 Net change of previous Change Orders (days): 22  
 Increase/Decrease of this Change Order (days): 13  
 Change Order Contract End Date: 8/6/2018

**Justification for Change**

|   | Increase                            | Decrease                            | No Change                           |
|---|-------------------------------------|-------------------------------------|-------------------------------------|
| 1. Effect of this change on scope of work:  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            |
| 2. Effect on operation and maintenance costs:   | <input type="checkbox"/>            | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
|   | Yes                                 | No                                  | Not Applicable                      |
| 3. Will this Change Order change the number of beneficiaries or TxCDBG contract Performance Statement Exhibit A?  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| 4. Has this change created new circumstances or environmental conditions which may affect the project's impact, such as concealed or unexpected conditions discovered during actual construction? | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| 5. Is the TCEQ clearance still valid?   | <input type="checkbox"/>            | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| 6. Are other TxCDBG contractual special condition clearances still valid?   | <input type="checkbox"/>            | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| 7. If new items are included that were not included in the competitive bid, have the prices been determined to be reasonable?   | <input type="checkbox"/>            | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |

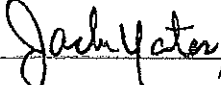


## Change Order Summary

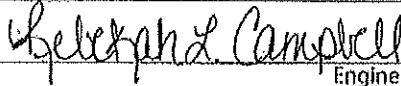
|                               |                |  |          |
|-------------------------------|----------------|--|----------|
| Original Contract Price:      | \$1,023,747.90 | Original Contract End Date:                    | 7/2/2018 |
| Net Previous Change Order(s): | \$98,930.00    | Net change of previous Change Orders (days):   | 22       |
| This Net Change Order:        | \$13,758.70    | Increase/Decrease of this Change Order (days): | 13       |
| New Contract Price:           | \$1,136,436.60 | Change Order Contract End Date                 | 8/6/2018 |
| Cumulative % Change:          | 11.007%        |  |          |

**NOTE:** Change orders for an increase of more than 25% will be rejected. The State of Texas considers a change in the construction contract price of greater than 25% to be non-competitive, as other potential bidders did not have the opportunity to bid on the true scope of the project during the procurement process. Grant Recipient must rebid project in the event of an increase of 25% or more.

### Grant Recipient Approval (REQUIRED)

|   |                    |
|---|--------------------|
| <br>Authorized Signature | 11-30-2018<br>Date |
| Jack Yates, City Administrator<br>Authorized Signatory's Name and Title                                   |                    |

### Engineer's Recommendation

|   |                  |
|---|------------------|
| <br>Engineer's Signature | 11/30/18<br>Date |
| Rebekah L. Campbell<br>Engineer's Name  |                  |

### Contractor's Authorization

|                             |      |
|-----------------------------|------|
| Contractor's Signature      | Date |
| Contractor's Name and Title |      |

To receive an email copy of the TDA response, provide contact information below

| Name | Email |
|------|-------|
|      |       |

### For TDA office use only

|                            |             |  |    |
|----------------------------|-------------|--|----|
| This Net Change Order:     | \$13,758.70 | Increase/decrease of this Change Order (days):   | 13 |
| Net Change Order Approved: |             | Increase/decrease of this Change Order Approved: |    |
| Approved Contract Amount:  |             | Approved Contract Time:                          |    |

Notes:

|                               |      |
|-------------------------------|------|
| Contract Specialist Signature | Date |
|-------------------------------|------|

|                               |      |
|-------------------------------|------|
|                               |      |
| Director Signature (optional) | Date |

Grant Recipient: City of Montgomery Contract No.: 7215112 Change Order No.: 3  
Page 3 of 3

This form required as of September 1, 2016.  
All previous versions no longer valid.

**CONCEPTUAL CONSTRUCTION COST ESTIMATE  
FOR  
ATKINS CREEK SANITARY SEWER AND WATERLINE REPAIRS  
OPTION 1: RETURN TO PRE-DISASTER CONDITIONS  
CITY OF MONTGOMERY, TEXAS  
December 7, 2018**

| <b>Item No.</b> | <b>Description</b>                            | <b>Unit</b> | <b>Quantity</b> | <b>Unit Price</b> | <b>Total</b> |
|-----------------|---|-------------|-----------------|-------------------|--------------|
| 1.              | Move-in, Bonds & Insurance                    | LS          | 1               | \$ 30,000         | \$ 30,000    |
| 2.              | Import and Install Backfill                   | CY          | 2,000           | 20                | 40,000       |
| 3.              | 8" PVC Waterline                              | LF          | 153             | 80                | 12,200       |
| 4.              | 8" PVC Sanitary Sewer                         | LF          | 144             | 75                | 10,800       |
| 5.              | 2" Blow-Off Valve & Box                       | EA          | 1               | 500               | 500          |
| 6.              | Cement Stabilized Sand Cradle                 | EA          | 1               | 15,000            | 15,000       |
| 7.              | Connection to Existing 8" Waterline           | EA          | 1               | 2,000             | 2,000        |
| 8.              | Connection to Existing 8" Sanitary Sewer Line | EA          | 2               | 1,000             | 2,000        |
| 9.              | Remove and Replace 42" Safety End Treatment   | LS          | 1               | 15,000            | 15,000       |
| 10.             | Trench Safety System                          | LF          | 297             | 2                 | 600          |
| 11.             | Storm Water Pollution Prevention Plan         | LS          | 1               | 10,000            | 10,000       |
| 12.             | Site Restoration including Hydromulch         | LS          | 1               | 5,000             | 5,000        |

|                                     |                       |
|-------------------------------------|-----------------------|
| Subtotal                            | \$ 143,100            |
| Contingencies (15%)                 | 21,500 <sup>(1)</sup> |
| Reimbursable Expenses               | 31,000 <sup>(2)</sup> |
| Engineering and Surveying           | 96,500 <sup>(3)</sup> |
| <b>TOTAL</b>                        | <b>\$ 292,100</b>     |
| <b>Source of Funding: FEMA(90%)</b> | <b>\$ 262,890</b>     |
| <b>City (10%)</b>                   | <b>\$ 29,210</b>      |
|                                     | <b>\$ 292,100</b>     |

This Document is Released for the Purpose of:  
**General Financial Planning**  
 Under the Authority of:  
 Engineer: Jeffrey M. Bishop, P.E.  
 License No.: 126353  
 It is Preliminary in Nature and not to be Used for Feasibility of Land Purchases,  
 Bond Applications, Loans or Grants.

**Notes:**

- (1) Contingencies include a 15% cost for additional, unseen, and future costs from time of proposal.
- (2) Includes geotechnical investigation, environmental sub-consultation, construction materials testing, advertising fees, and reproduction.
- (3) Includes engineering, coordination and meetings with FEMA, drainage and scour analyses, surveying, construction administration, and field project representation.
- (4) Proposed work does not and cannot include improvements to Atkins Creek on private property upstream and downstream of the project location. Therefore, the project cannot account for upstream and downstream erosion, and is not a feasible solution to the damages.

**CONCEPTUAL CONSTRUCTION COST ESTIMATE  
FOR  
ATKINS CREEK SANITARY SEWER, WATERLINE, & STORM SEWER REPAIRS  
OPTION 2: AERIAL WATER AND SANITARY SEWER CROSSING  
CITY OF MONTGOMERY, TEXAS  
December 7, 2018**

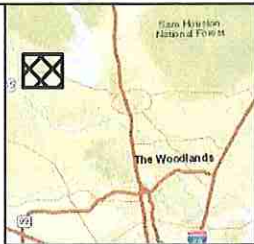
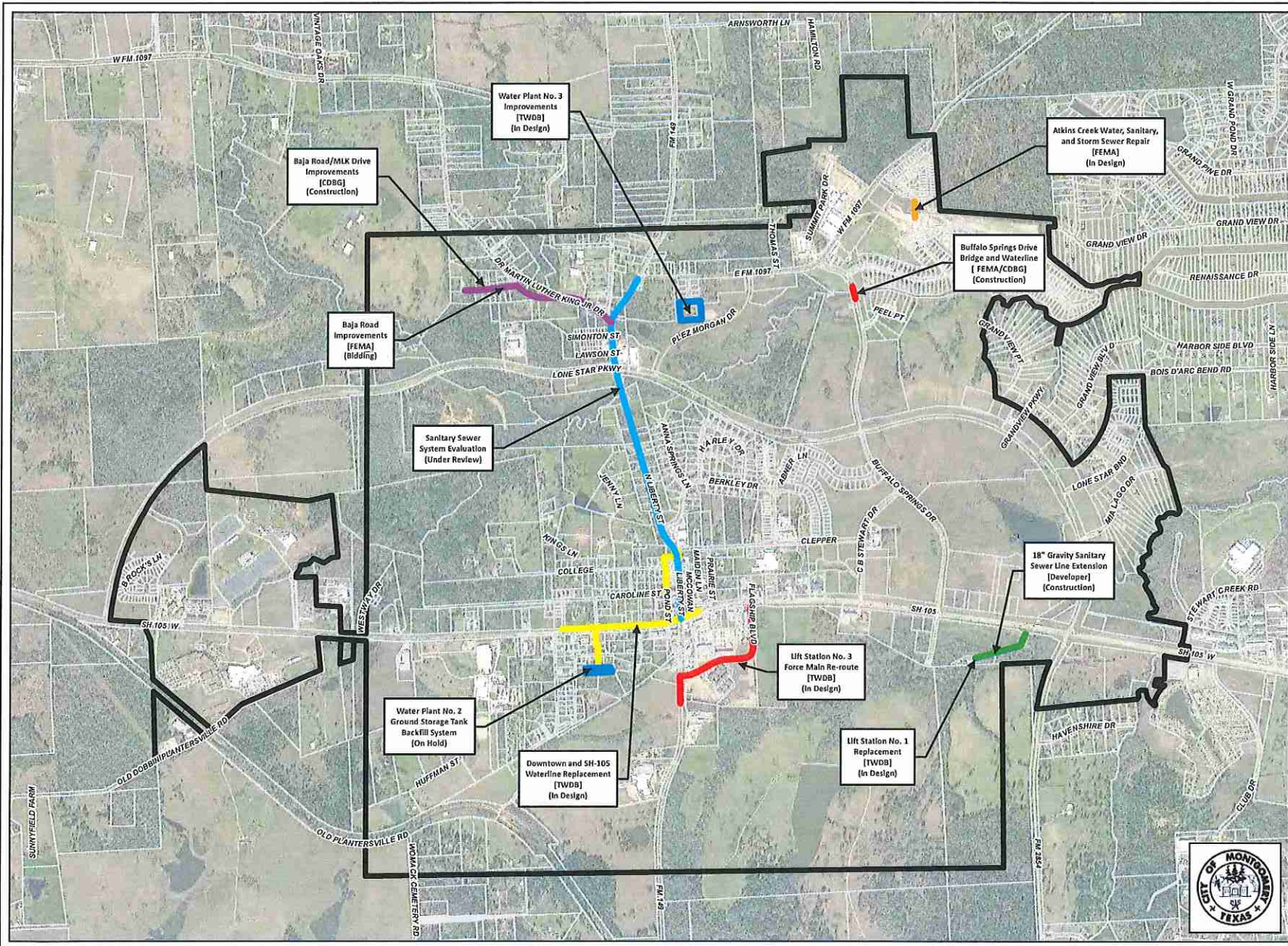
| <b>Item No.</b> | <b>Description</b>                              | <b>Unit</b> | <b>Quantity</b> | <b>Unit Price</b>                                | <b>Total</b>           |
|-----------------|---|-------------|-----------------|--|------------------------|
| 1.              | Move-in, Bonds & Insurance                      | LS          | 1               | \$ 30,000  | \$ 30,000              |
| 2.              | Import and Install Backfill                     | CY          | 450             | 20   | 9,000                  |
| 3.              | 16" Welded Steel Carrier Casing                 | LF          | 255             | 175  | 44,600                 |
| 4.              | 8" PVC Waterline                                | LF          | 155             | 35   | 5,400                  |
| 5.              | 8" PVC Sanitary Sewer                           | LF          | 150             | 30   | 4,500                  |
| 6.              | 2" Blow-Off Valve & Box                         | EA          | 1               | 500  | 500                    |
| 7.              | Drilled Concrete Piers with Pile Cap and Saddle | LS          | 1               | 50,000   | 50,000                 |
| 8.              | 16" Steel Saddle Connection                     | EA          | 4               | 2,000  | 8,000                  |
| 9.              | Connection to Existing 8" Waterline             | EA          | 1               | 2,000  | 2,000                  |
| 10.             | Connection to Existing 8" Sanitary Sewer Line   | EA          | 2               | 1,000  | 2,000                  |
| 11.             | Remove and Replace 42" Safety End Treatment     | LS          | 1               | 15,000   | 15,000                 |
| 12.             | 24" Concrete Rip-Rap                            | SY          | 324             | 80   | 25,900                 |
| 13.             | 6" Slope Paving with Head & Toe Wall            | SY          | 160             | 150  | 24,000                 |
| 14.             | Trench Safety System                            | LF          | 100             | 2  | 200                    |
| 15.             | Storm Water Pollution Prevention Plan           | LS          | 1               | 10,000   | 10,000                 |
| 16.             | Site Restoration including Hydromulch           | LS          | 1               | 10,000   | 10,000                 |
|                 |   |             |                 | Subtotal   | \$ 241,100             |
|                 |   |             |                 | Contingencies (15%)                              | 36,200 <sup>(1)</sup>  |
|                 |   |             |                 | Engineering, Surveying and Reimbursable Expenses | 128,500 <sup>(2)</sup> |
|                 |   |             |                 | <b>TOTAL</b>                                     | <b>\$ 405,800</b>      |
|                 |   |             |                 | Source of Funding: FEMA(90%)                     | \$ 365,220             |
|                 |   |             |                 | City (10%)                                       | \$ 40,580              |
|                 |   |             |                 |  | \$ 405,800             |

This Document is Released for the Purpose of:  
**General Financial Planning**  
 Under the Authority of:  
 Engineer: Jeffrey M. Bishop, P.E.  
 License No.: 126353

**Notes:**

- <sup>(1)</sup> Contingencies include a 15% cost for additional, unseen, and future costs from time of proposal.
- <sup>(2)</sup> Includes engineering, coordination and meetings with FEMA, drainage and scour analysis, surveying, construction administration, field project representation, geotechnical investigation, environmental sub-consultation, structural sub-consultation, construction materials testing, advertising fees, and reproduction.



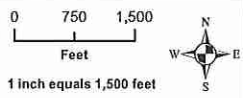


**VICINITY MAP**  
Scale: 1 Inch equals 20 miles

**LEGEND**

- City Limits
- MCAD Parcels

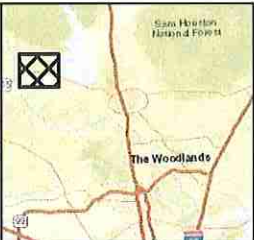
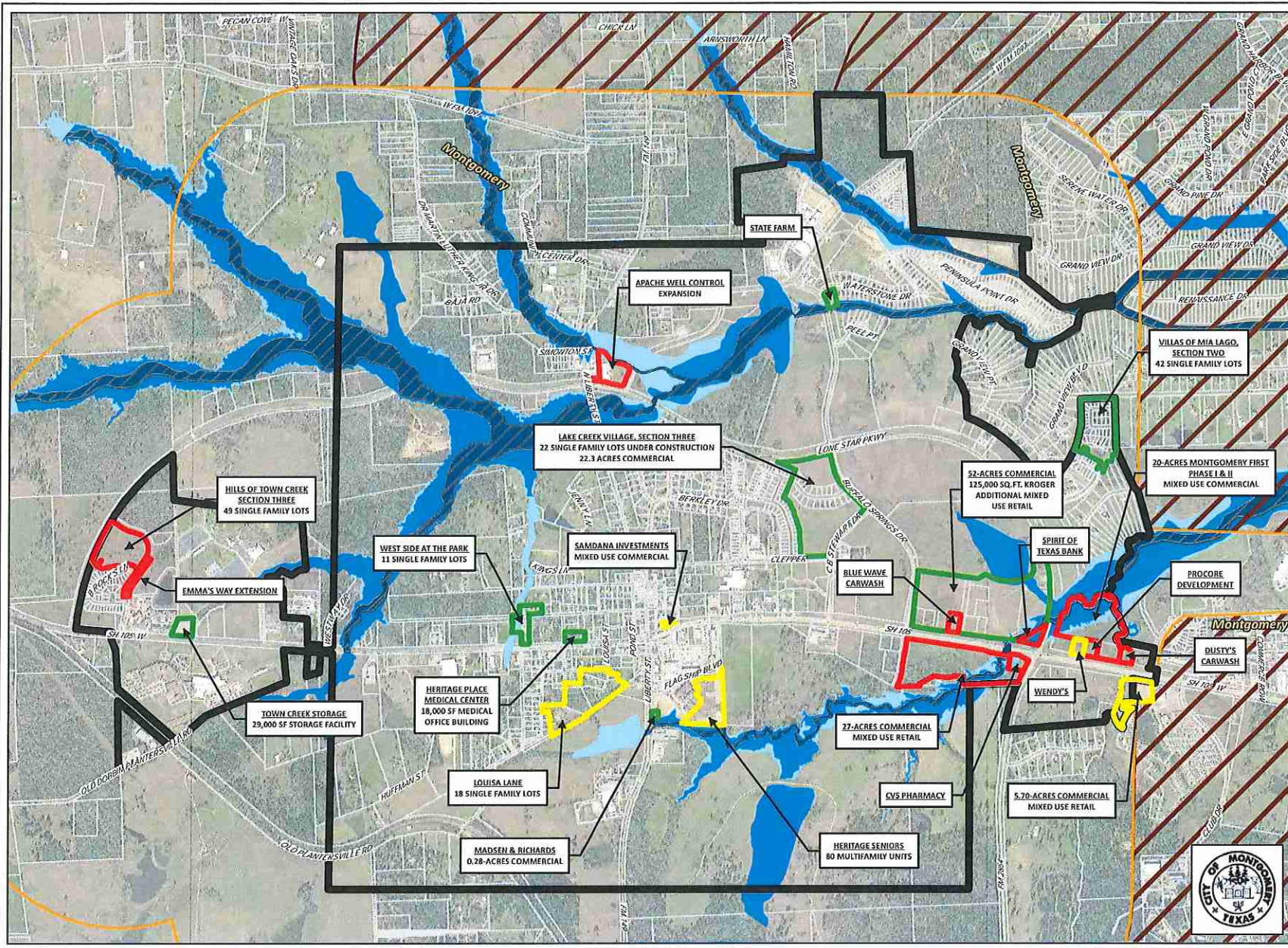
**ACTIVE CAPITAL PROJECTS  
(DECEMBER 2018)**



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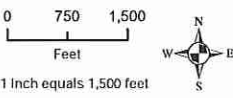


**VICINITY MAP**  
Scale: 1 Inch equals 20 miles

**LEGEND**

- Active Development (Phase)**
- █ Complete/Under Warranty
  - █ Under Construction
  - █ In Design
  - █ Planning/Feasibility
- Other Symbols:**
- City Limits
  - Stanley Lake MUD
  - City ETJ
  - City of Conroe ETJ
  - Floodway
  - 100-year
  - 500-year
  - MCAD Parcels

**ACTIVE DEVELOPMENTS (DECEMBER 2018)**



Disclaimer: This product is offered for informational purposes and may not have been prepared or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of projects, governmental and/or political boundaries or related facilities to the boundary. No express warranty is made by Jones+Carter, Inc. concerning the accuracy, completeness, reliability, or usability of the information included within this exhibit.



**JONES CARTER**  
Local Board of Professional Engineers Registration No. 1-439

Map Number: 02 Date: 12/27/2018 Project Number: W944-00018