



CITY OF CONROE

CIDC MEETING

**December 17th, 2020 @ 4:00 pm
via Zoom**

**NOTICE OF REGULAR MEETING
BOARD OF DIRECTORS
CONROE INDUSTRIAL DEVELOPMENT CORPORATION**

**CITY COUNCIL CHAMBERS – CONROE CITY HALL – 300 WEST DAVIS, CONROE
THURSDAY, December 17, 2020 – 4:00 p.m.**

DUE TO THE COVID-19 PANDEMIC EMERGENCY AND THE NEED TO IMPLEMENT SOCIAL DISTANCING THE GOVERNOR OF TEXAS HAS SUSPENDED THE APPLICATION OF CERTAIN LAWS RELATED TO THE PHYSICAL ASSEMBLY OF A QUORUM OF BOARD MEMBERS AND PERMITTING GOVERNMENTAL BODIES TO CONDUCT MEETINGS TELEPHONICALLY OR BY VIDEO CONFERENCING. MEMBERS OF THE CITY COUNCIL MAY ATTEND AND PARTICIPATE IN THIS MEETING BY TELEPHONE, VIDEO CONFERENCING OR BY THEIR PHYSICAL ATTENDANCE AT THE POSTED MEETING LOCATION.

MEMBERS OF THE PUBLIC MAY VIEW THE OPEN MEETING ONLINE AT www.CityofConroe.org/OurCityTV

PROVISION WILL BE MADE FOR IN PERSON CITIZEN COMMENT IN THE COUNCIL CHAMBERS DURING ANY PUBLIC HEARING OR CITIZENS INQUIRY TIME DESIGNATED ON THE MEETING AGENDA OR REMOTELY VIA TOLL FREE PHONE NUMBER : 877-853-5257 (Toll Free) or 888-475-4499 (Toll Free) Webinar ID: 839 3979 2058.

IN ACCORDANCE WITH GUIDELINES AND DIRECTIVES RELATED TO PUBLIC ASSEMBLIES DURING THE PRESENT EMERGENCY THE PHYSICAL ASSEMBLY OF PERSONS IN THE COUNCIL CHAMBERS WILL BE LIMITED TO NO MORE THAN TEN (10) PERSONS. CITIZENS WHO DESIRE TO VIEW THE MEETING OR MAKE PUBLIC COMMENT ARE ENCOURAGED TO USE THE WEB LINK AND TOLL FREE NUMBERS.

CONROE CITY COUNCIL MEETING NOTICE

A quorum of the Conroe City Council may attend this meeting, including any executive session that is closed to the general public. This notice shall also serve as notice of a meeting of the City Council as required by the Texas Open Meetings Act. No action shall be taken by the City Council during this meeting and any deliberations between a quorum of the City Council shall be limited to the items posted below and shall be incidental to the meeting of the development corporation.

CALL TO ORDER - CALL OF ROLL

- 1. Minutes of prior meeting(s)**
- 2. Monthly Financial Report**
- 3. Consideration and approval of a Resolution Authorizing Publication of Notice of Project and Right to Petition, and Authorizing Certain Other Matters Relating Thereto**
- 4. Approve Economic Development Grant Agreement with Woodforest National Bank for site improvements in connection with the redevelopment of the bank building at 400 W. Davis in Conroe, Texas**

It is the policy of the Board of Directors to afford disabled persons maximum access to all public meetings. The Board of Directors will make reasonable accommodations to address the needs of persons with vision or hearing impairments or other disabilities, including the provision of readers or sign language interpreters when requested reasonably in advance.

5. Authorize variance for building setbacks applicable to Macota Properties project and take other action regarding the proposed site plan
6. Closed session deliberation(s) concerning:
 - a) the offer of a financial incentive – Gov. Code § 551.087
 - b) purchase, exchange or value of real property § 551.072
7. Contract(s)/Offer(s) for sale and purchase of land
8. Executive Director's Report
 - a. Marketing and promotional activities
 - b. New business prospects, expansion and relocation activities
 - c. Industrial and Technology park development activities
 - d. Land sales
9. Reschedule January 2021 board meeting
10. Payment of Invoices
11. ADJOURN

EXECUTIVE SESSION: At any time during the meeting the Board may announce it will go into closed session pursuant to Chapter 551 of the Texas Government Code to receive advice from legal counsel, to discuss the offer of a financial incentive for economic development purposes, to discuss matters of land acquisition, personnel matters or other lawful matters that are specifically related to items listed on this agenda. Prior to any such closed session the presiding officer, in open session, will identify the agenda item to be discussed and the section or sections of Chapter 551 under which the closed discussion is authorized.

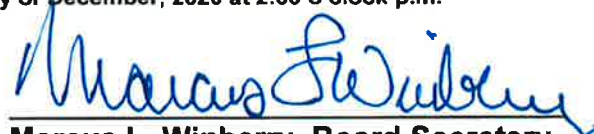
ORDER OF BUSINESS: The Board may vote and/or act upon each of the items listed in this agenda in an order considered to be convenient to the public and the Board. One agenda item will be discussed at a time unless logic and practical consideration allow similar topics to be considered together for efficiency.

ACTION: The Board may vote on and authorize any action reasonably related to an agenda item and neither the use nor omission of words such as "discuss", "consider", "approve" or "act" shall be deemed to limit the authority of the Board to act with respect to an agenda item.



Marcus L. Winberry, Board Secretary

I certify that the above notice of meeting was posted on the bulletin board in the City Hall, 300 West Davis, and in other places accessible to the public on the 14 day of December, 2020 at 2:00 o'clock p.m.



Marcus L. Winberry, Board Secretary

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ITEM 1

MINUTES OF PRIOR MEETING(S)

**MINUTES OF THE BOARD OF DIRECTORS
CONROE INDUSTRIAL DEVELOPMENT CORPORATION
REGULAR BOARD MEETING OF NOVEMBER 19, 2020**

On November 19, 2020 the Board of Directors of the Corporation did meet in the Council Chambers of the Conroe City Hall located at 300 West Davis Street in Conroe, Texas, written notice of the time, place and subject of said public meeting having been previously given in accordance with Texas Government Code, Chapter 551 and to each Director of the Corporation in the manner provided by law.

All of the following members were present:

Chip VanSteenberg
Raymond McDonald
Duke Coon
Seth Gibson
George Waggoner

Members absent were:

Toby Powell
Keaton Hineman

Other persons in attendance included:

Paul Virgadamo, President
Steve Williams, Treasurer
Marcus Winberry, Board Secretary
Danielle Scheiner, Executive Director CEDC
Laura Lea Palmer, Deputy Director CEDC
Jennifer Matthews, Associate Director CEDC
Valencia Alasmar, Administrative Assistant

A quorum of the Board was present and Board Chairman, George Waggoner convened the meeting.

Item 1. A Motion by **Director Gibson** seconded by **Director McDonald** to:

APPROVE AS SUBMITTED THE MINUTES OF THE MEETING OF OCTOBER 15, 2020.

For

George Waggoner
Chip VanSteenberg
Seth Gibson
Duke Coon
Raymond McDonald

Against

Abstained

Absent

Toby Powell
Keaton Hineman

The motion was passed and adopted

Item 2. A Motion by **Director Coon** seconded by **Director McDonald** to:

APPROVE THE MONTHLY FINANCIAL REPORT FOR SEPTEMBER 2020.

<u>For</u>	<u>Against</u>	<u>Abstained</u>	<u>Absent</u>
George Waggoner			
Chip VanSteenberg			
Seth Gibson			
Duke Coon			
Raymond McDonald			
			Toby Powell
			Keaton Hineman

The motion was passed and adopted.

Item 3. A Motion by **Director McDonald** seconded by **Director Gibson** to:

APPROVE PERFORMANCE BASED JOB RETENTION AGREEMENT WITH MEMSTAR USA, INC.

This item was discussed at our previous meeting.

<u>For</u>	<u>Against</u>	<u>Abstained</u>	<u>Absent</u>
George Waggoner			
Chip VanSteenberg			
Seth Gibson			
Duke Coon			
Raymond McDonald			
			Toby Powell
			Keaton Hineman

The motion was passed and adopted.

Item 4. A Motion by **Director Coon** seconded by **Director VanSteenberg** to:

GRANT ARCHITECTURE APPROVAL FOR PROPOSED VGXI IMPROVEMENTS

Motion for approval of the site plan only. No action was taken on the traffic study.

<u>For</u>	<u>Against</u>	<u>Abstained</u>	<u>Absent</u>
George Waggoner			
Chip VanSteenberg			
Seth Gibson			
Duke Coon			
Raymond McDonald			
			Toby Powell
			Keaton Hineman

The motion was passed and adopted.

Item 5. At 4:13 pm the Chairman recessed the regular meeting for an Executive Session to deliberate the offer of a financial incentive and deliberate concerning the sale, purchase, exchange or value of real property.

At 4:31 pm the Chairman reconvened the regular meeting.

Item 6. APPROVE NOTE PAYOFF AND AUTHORIZE EARLY RELEASE OF CIDC FIRST LIEN ON MEMSTAR USA, INC. PROPERTY

No action.

Item 7. CONTRACT(S)/OFFER(S) FOR SALE AND PURCHASE OF LAND

A Motion by **Director McDonald** seconded by **Director VanSteenberg** to:

Pile Co. requested an extension until December 31, 2020.

<u>For</u>	<u>Against</u>	<u>Abstained</u>	<u>Absent</u>
George Waggoner			
Chip VanSteenberg			
Seth Gibson			
Duke Coon			
Raymond McDonald			
			Toby Powell
			Keaton Hineman

The motion was passed and adopted.

Item 8. Executive Director's Report - Danielle Scheiner gave an updated activity and status report.

Item 9. PAYMENT OF INVOICES

A Motion by **Director McDonald** seconded by **Director VanSteenberg** to:

Second draw request for Home Depot in the amount of \$1,222,830.38, which is 20% of the Grant.

<u>For</u>	<u>Against</u>	<u>Abstained</u>	<u>Absent</u>
George Waggoner			
Chip VanSteenberg			
Seth Gibson			
Duke Coon			
Raymond McDonald			
			Toby Powell
			Keaton Hineman

The motion was passed and adopted.

Item 10. With no further items for discussion, the meeting was adjourned at 4:27 pm.

CERTIFICATE OF CORPORATE SECRETARY

I hereby certify that the above and foregoing minutes were approved and adopted by majority vote of the Board of Directors on the ____ day of December, 2020.

Signed this ___ day of December, 2020.

Board Secretary

ITEM 2

MONTHLY FINANCIAL REPORT

CIDC Monthly Treasurer's Report
Annual Funding Schedule and Cash Flows
 October 2020

		CIDC Fund						
		FY 20/21	FY 20/21		Encum-	YTD @	Over/ (Under)	YTD as %
		Budget	Estimate	Current Period	brances	10/31/20 (Incl. Enc.)	Budget	of Budget
BEGINNING FUND BALANCE		\$ 41,582,642	\$ 41,582,642			\$ 41,582,642		
REVENUES								
4040	Sales Tax	\$ 11,254,846	\$ 11,254,846	\$ 959,338	\$ -	\$ 959,338	\$ (10,295,508)	8.5%
6010	Interest	233,511	233,511	4,148	-	4,148	(229,363)	1.8%
6030	Lease Income	-	-	-	-	-	-	N/A
6035	Land Sales	-	206,840	206,840	-	206,840	206,840	N/A
TOTAL REVENUE		\$ 11,488,357	\$ 11,695,197	\$ 1,170,326	\$ -	\$ 1,170,326	\$ (10,318,031)	10.2%
EXPENDITURES								
7010	Salaries	\$ 455,460	\$ 455,460	\$ 37,277	\$ -	\$ 37,277	\$ (418,183)	8.2%
7025	Social Security	26,839	26,839	2,847	-	2,847	(23,993)	10.6%
7030	Retirement & Pension	73,966	73,966	6,166	-	6,166	(67,800)	8.3%
7035	Workers' Comp	1,479	1,479	-	904	904	(576)	61.1%
7040	Insurance	83,736	83,736	8,491	-	8,491	(75,245)	10.1%
Total Personnel Services		\$ 641,481	\$ 641,481	\$ 54,781	\$ 904	\$ 55,684	\$ (585,797)	8.7%
7110	Office Supplies	\$ 8,000	\$ 8,000	\$ 183	\$ -	\$ 183	\$ (7,817)	2.3%
7180	Equipment Repairs	1,500	1,500	-	-	-	(1,500)	0.0%
7200	Other Oper. Supplies	900	900	32	-	32	(868)	3.6%
7253	Furn & Fixtures <\$5,000	1,000	1,000	-	-	-	(1,000)	0.0%
Total Supplies		\$ 11,400	\$ 11,400	\$ 215	\$ -	\$ 215	\$ (11,185)	1.9%
8010	Utilities	\$ 15,000	\$ 15,000	\$ 1,021	\$ -	\$ 1,021	\$ (13,979)	6.8%
8030	Legal Services	3,000	3,000	-	-	-	(3,000)	0.0%
8050	Travel & Training	127,954	127,954	16,599	-	16,599	(111,355)	13.0%
8060	Contract Svcs (CIDC General Fund)	492,027	492,027	175,309	234,731	410,040	(81,987)	83.3%
8063	Incentives	6,238,522	6,238,522	-	4,279,906	4,279,906	(1,958,616)	68.6%
8350	Legal Newspaper Notices	1,500	1,500	83	-	83	(1,417)	5.6%
8520	Transfer Out	10,548,422	10,548,422	29,285	-	29,285	(10,519,137)	0.3%
Total Contractual		\$ 17,426,425	\$ 17,426,425	\$ 222,297	\$ 4,514,637	\$ 4,736,935	\$ (12,689,490)	27.2%
9600	Principal	\$ 3,820,000	\$ 3,820,000	\$ -	\$ -	\$ -	\$ (3,820,000)	0.0%
9610	Interest	2,751,472	2,751,472	-	-	-	(2,751,472)	0.0%
Total Debt Service		\$ 6,571,472	\$ 6,571,472	\$ -	\$ -	\$ -	\$ (6,571,472)	0.0%
TOTAL EXPENDITURES		\$ 24,650,778	\$ 24,650,778	\$ 277,293	\$ 4,515,541	\$ 4,792,834	\$ (19,857,944)	19.4%
Debt Service Reserve		\$ 6,014,317	\$ 6,014,317			\$ 6,014,317		
Land Sales (574 acre portion) (Fund 047)		\$ 1,042,399	\$ 1,042,399			\$ 1,468,899		
ENDING FUND BALANCE		\$ 23,448,303	\$ 23,655,143			\$ 33,414,716		

Notes:

- Incentives updated as of 10/31/2020.

CIDC Monthly Treasurer's Report
Annual Funding Schedule and Cash Flows
 October 2020

	FY 21/22 Budget	FY 22/23 Budget	FY 23/24 Budget	FY 24/25 Budget	FY 25/26 Budget	FY 26/27 Budget
BEGINNING FUND BALANCE	\$ 23,655,143	\$ 24,632,440	\$ 25,930,737	\$ 27,571,139	\$ 29,345,565	\$ 31,300,682
REVENUES						
4040 Sales Tax	\$ 11,367,394	\$ 11,481,068	\$ 11,595,879	\$ 11,711,838	\$ 11,828,956	\$ 11,947,246
6010 Interest	235,846	238,205	240,587	242,992	245,422	247,877
6030 Lease Income	7,200	7,200	7,200	7,200	7,200	7,200
6035 Land Sales	-	-	-	-	-	-
TOTAL REVENUE	\$ 11,610,441	\$ 11,726,473	\$ 11,843,666	\$ 11,962,030	\$ 12,081,579	\$ 12,202,322
EXPENDITURES						
7010 Salaries	\$ 469,124	\$ 483,198	\$ 497,694	\$ 512,625	\$ 528,004	\$ 543,844
7025 Social Security	27,645	28,474	29,328	30,208	31,114	32,048
7030 Retirement & Pension	76,185	78,470	80,824	83,249	85,747	88,319
7035 Workers' Comp	1,524	1,569	1,616	1,665	1,715	1,766
7040 Insurance	86,248	88,836	91,501	94,246	97,073	99,985
Total Personnel Services	\$ 660,725	\$ 680,547	\$ 700,964	\$ 721,992	\$ 743,652	\$ 765,962
7110 Office Supplies	\$ 8,240	\$ 8,487	\$ 8,742	\$ 9,004	\$ 9,274	\$ 9,552
7180 Equipment Repairs	1,545	1,591	1,639	1,688	1,739	1,791
7200 Other Oper. Supplies	927	955	983	1,013	1,043	1,075
7253 Furn & Fixtures <\$5,000	1,030	1,061	1,093	1,126	1,159	1,194
Total Supplies	\$ 11,742	\$ 12,094	\$ 12,457	\$ 12,831	\$ 13,216	\$ 13,612
8010 Utilities	\$ 15,450	\$ 15,914	\$ 16,391	\$ 16,883	\$ 17,389	\$ 17,911
8030 Legal Services	3,090	3,183	3,278	3,377	3,478	3,582
8050 Travel & Training	131,793	135,746	139,819	144,013	148,334	152,784
8060 Contract Svcs (CIDC General Fund)	506,788	521,991	537,651	553,781	570,394	587,506
8063 Incentives	2,148,491	1,902,313	1,546,389	1,490,930	1,381,418	1,194,725
8350 Legal Newspaper Notices	1,545	1,591	1,639	1,688	1,739	1,791
8520 Transfer Out	537,407	538,431	628,682	628,774	628,718	628,484
Total Contractual	\$ 3,344,563	\$ 3,119,169	\$ 2,873,849	\$ 2,839,445	\$ 2,751,470	\$ 2,586,783
9600 Principal	\$ 3,970,000	\$ 4,155,000	\$ 4,315,000	\$ 4,480,000	\$ 4,660,000	\$ 4,830,000
9610 Interest	2,646,113	2,461,365	2,300,994	2,133,336	1,958,124	1,782,775
Total Debt Service	\$ 6,616,113	\$ 6,616,365	\$ 6,615,994	\$ 6,613,336	\$ 6,618,124	\$ 6,612,775
TOTAL EXPENDITURES	\$ 10,633,144	\$ 10,428,176	\$ 10,203,264	\$ 10,187,605	\$ 10,126,461	\$ 9,979,132
Debt Service Reserve						
Land Sales (574 acre portion) (Fund 047)						
ENDING FUND BALANCE	\$ 24,632,440	\$ 25,930,737	\$ 27,571,139	\$ 29,345,565	\$ 31,300,682	\$ 33,523,873

On 9/1/2021, the Conroe IDC will redeem \$8,360,000 of outstanding 2012 Sales Tax Revenue Bonds. The figures above include taxable refunding in July 2021. See e-mail from J.Robuck on 12/5/2017.

Notes:

1. Incentives updated as of 10/31/2020.

CIDC Monthly Treasurer's Report
Annual Funding Schedule and Cash Flows
 October 2020

	FY 27/28 Budget	FY 28/29 Budget	FY 29/30 Budget	FY 30/31 Budget	FY 31/32 Budget	FY 32/33 Budget
BEGINNING FUND BALANCE	\$ 33,523,873	\$ 35,808,146	\$ 38,156,078	\$ 40,684,642	\$ 44,351,601	\$ 48,083,102
REVENUES						
4040 Sales Tax	\$ 12,066,718	\$ 12,187,385	\$ 12,309,259	\$ 12,432,352	\$ 12,556,675	\$ 12,682,242
6010 Interest	250,355	252,859	255,388	257,941	260,521	263,126
6030 Lease Income	7,200	7,200	7,200	7,200	7,200	7,200
6035 Land Sales	-	-	-	-	-	-
TOTAL REVENUE	\$ 12,324,274	\$ 12,447,444	\$ 12,571,847	\$ 12,697,493	\$ 12,824,396	\$ 12,952,568
EXPENDITURES						
7010 Salaries	\$ 560,159	\$ 576,964	\$ 594,273	\$ 612,101	\$ 630,464	\$ 649,378
7025 Social Security	33,009	33,999	35,019	36,070	37,152	38,267
7030 Retirement & Pension	90,969	93,698	96,509	99,404	102,386	105,457
7035 Workers' Comp	1,819	1,874	1,930	1,988	2,048	2,109
7040 Insurance	102,985	106,074	109,256	112,534	115,910	119,388
Total Personnel Services	\$ 788,941	\$ 812,609	\$ 836,987	\$ 862,097	\$ 887,960	\$ 914,598
7110 Office Supplies	\$ 9,839	\$ 10,134	\$ 10,438	\$ 10,751	\$ 11,074	\$ 11,406
7180 Equipment Repairs	1,845	1,900	1,957	2,016	2,076	2,139
7200 Other Oper. Supplies	1,107	1,140	1,174	1,210	1,246	1,283
7253 Furn & Fixtures <\$5,000	1,230	1,267	1,305	1,344	1,384	1,426
Total Supplies	\$ 14,021	\$ 14,441	\$ 14,874	\$ 15,321	\$ 15,780	\$ 16,254
8010 Utilities	\$ 18,448	\$ 19,002	\$ 19,572	\$ 20,159	\$ 20,764	\$ 21,386
8030 Legal Services	3,690	3,800	3,914	4,032	4,153	4,277
8050 Travel & Training	157,367	162,088	166,951	171,959	177,118	182,432
8060 Contract Svcs (CIDC General Fund)	605,131	623,285	641,984	661,243	681,080	701,513
8063 Incentives	1,206,672	1,218,739	1,230,926	1,243,235	1,255,668	1,268,224
8350 Legal Newspaper Notices	1,845	1,900	1,957	2,016	2,076	2,139
8520 Transfer Out	628,569	629,085	514,153	-	-	-
Total Contractual	\$ 2,621,722	\$ 2,657,899	\$ 2,579,457	\$ 2,102,644	\$ 2,140,859	\$ 2,179,971
9600 Principal	\$ 5,015,000	\$ 5,205,000	\$ 5,410,000	\$ 5,065,000	\$ 5,285,000	\$ 4,455,000
9610 Interest	1,600,318	1,409,563	1,201,965	985,473	763,296	544,000
Total Debt Service	\$ 6,615,318	\$ 6,614,563	\$ 6,611,965	\$ 6,050,473	\$ 6,048,296	\$ 4,999,000
TOTAL EXPENDITURES	\$ 10,040,001	\$ 10,099,512	\$ 10,043,283	\$ 9,030,534	\$ 9,092,895	\$ 8,109,823
Debt Service Reserve						
Land Sales (574 acre portion) (Fund 047)						
ENDING FUND BALANCE	\$ 35,808,146	\$ 38,156,078	\$ 40,684,642	\$ 44,351,601	\$ 48,083,102	\$ 52,925,847

Notes:

1. Incentives updated as of 10/31/2020.

CIDC Monthly Treasurer's Report
Annual Funding Schedule and Cash Flows
 October 2020

	FY 33/34 Budget	FY 34/35 Budget	FY 35/36 Budget	FY 36/37 Budget	FY 37/38 Budget	FY 38/39 Budget
BEGINNING FUND BALANCE	\$ 52,925,847	\$ 61,133,286	\$ 69,400,327	\$ 77,728,642	\$ 86,114,863	\$ 94,560,782
REVENUES						
4040 Sales Tax	\$ 12,809,065	\$ 12,937,155	\$ 13,066,527	\$ 13,197,192	\$ 13,329,164	\$ 13,462,456
6010 Interest	265,757	268,415	271,099	273,810	276,548	279,314
6030 Lease Income	7,200	7,200	7,200	7,200	7,200	7,200
6035 Land Sales	-	-	-	-	-	-
TOTAL REVENUE	\$ 13,082,022	\$ 13,212,770	\$ 13,344,826	\$ 13,478,202	\$ 13,612,912	\$ 13,748,969
EXPENDITURES						
7010 Salaries	\$ 668,859	\$ 688,925	\$ 709,593	\$ 730,880	\$ 752,807	\$ 775,391
7025 Social Security	39,415	40,597	41,815	43,069	44,362	45,692
7030 Retirement & Pension	108,621	111,880	115,236	118,693	122,254	125,922
7035 Workers' Comp	2,172	2,238	2,305	2,374	2,445	2,518
7040 Insurance	122,969	126,658	130,458	134,372	138,403	142,555
Total Personnel Services	\$ 942,036	\$ 970,298	\$ 999,406	\$ 1,029,389	\$ 1,060,270	\$ 1,092,078
7110 Office Supplies	\$ 11,748	\$ 12,101	\$ 12,464	\$ 12,838	\$ 13,223	\$ 13,619
7180 Equipment Repairs	2,203	2,269	2,337	2,407	2,479	2,554
7200 Other Oper. Supplies	1,322	1,361	1,402	1,444	1,488	1,532
7253 Furn & Fixtures <\$5,000	1,469	1,513	1,558	1,605	1,653	1,702
Total Supplies	\$ 16,741	\$ 17,244	\$ 17,761	\$ 18,294	\$ 18,842	\$ 19,408
8010 Utilities	\$ 22,028	\$ 22,689	\$ 23,370	\$ 24,071	\$ 24,793	\$ 25,536
8030 Legal Services	4,406	4,538	4,674	4,814	4,959	5,107
8050 Travel & Training	187,905	193,542	199,348	205,329	211,488	217,833
8060 Contract Svcs (CIDC General Fund)	722,558	744,235	766,562	789,559	813,246	837,643
8063 Incentives	1,280,906	1,293,716	1,306,653	1,319,719	1,332,916	1,346,246
8350 Legal Newspaper Notices	2,203	2,269	2,337	2,407	2,479	2,554
8520 Transfer Out	-	-	-	-	-	-
Total Contractual	\$ 2,220,005	\$ 2,260,988	\$ 2,302,944	\$ 2,345,898	\$ 2,389,881	\$ 2,434,920
9600 Principal	\$ 1,340,000	\$ 1,395,000	\$ 1,450,000	\$ 1,510,000	\$ 1,570,000	\$ 1,630,000
9610 Interest	355,800	302,200	246,400	188,400	128,000	65,200
Total Debt Service	\$ 1,695,800	\$ 1,697,200	\$ 1,696,400	\$ 1,698,400	\$ 1,698,000	\$ 1,695,200
TOTAL EXPENDITURES	\$ 4,874,583	\$ 4,945,729	\$ 5,016,511	\$ 5,091,981	\$ 5,166,993	\$ 5,241,606
Debt Service Reserve						
Land Sales (574 acre portion) (Fund 047)						
ENDING FUND BALANCE	\$ 61,133,286	\$ 69,400,327	\$ 77,728,642	\$ 86,114,863	\$ 94,560,782	\$ 103,068,145

Notes:

1. Incentives updated as of 10/31/2020.

CIDC Monthly Treasurer's Report
Annual Funding Schedule and Cash Flows
 October 2020

	FY 39/40 Budget	FY 40/41 Budget	FY 41/42 Budget
BEGINNING FUND BALANCE	\$ 103,068,145	\$ 113,328,660	\$ 123,646,384
REVENUES			
4040 Sales Tax	\$ 13,597,080	\$ 13,733,051	\$ 13,870,382
6010 Interest	282,107	284,928	287,777
6030 Lease Income	7,200	7,200	7,200
6035 Land Sales	-	-	-
TOTAL REVENUE	\$ 13,886,387	\$ 14,025,179	\$ 14,165,359
EXPENDITURES			
7010 Salaries	\$ 798,653	\$ 822,612	\$ 847,291
7025 Social Security	47,063	48,475	49,929
7030 Retirement & Pension	129,699	133,590	137,598
7035 Workers' Comp	2,594	2,672	2,752
7040 Insurance	146,832	151,237	155,774
Total Personnel Services	\$ 1,124,841	\$ 1,158,586	\$ 1,193,344
7110 Office Supplies	\$ 14,028	\$ 14,449	\$ 14,882
7180 Equipment Repairs	2,630	2,709	2,790
7200 Other Oper. Supplies	1,578	1,626	1,674
7253 Furn & Fixtures <\$5,000	1,754	1,806	1,860
Total Supplies	\$ 19,990	\$ 20,590	\$ 21,207
8010 Utilities	\$ 26,303	\$ 27,092	\$ 27,904
8030 Legal Services	5,261	5,418	5,581
8050 Travel & Training	224,368	231,099	238,032
8060 Contract Svcs (CIDC General Fund)	862,772	888,655	915,315
8063 Incentives	1,359,708	1,373,305	1,387,038
8350 Legal Newspaper Notices	2,630	2,709	2,790
8520 Transfer Out	-	-	-
Total Contractual	\$ 2,481,042	\$ 2,528,279	\$ 2,576,661
9600 Principal	\$ -	\$ -	\$ -
9610 Interest	-	-	-
Total Debt Service	\$ -	\$ -	\$ -
TOTAL EXPENDITURES	\$ 3,625,873	\$ 3,707,454	\$ 3,791,212
Debt Service Reserve			
Land Sales (574 acre portion) (Fund 047)			
ENDING FUND BALANCE	\$ 113,328,660	\$ 123,646,384	\$ 134,020,530

Notes:

- Incentives updated as of 10/31/2020.

ITEM 3

**CONSIDERATION AND APPROVAL
OF A RESOLUTION AUTHORIZING
PUBLICATION OF NOTICE OF PROJECT
AND RIGHT TO PETITION, AND
AUTHORIZING CERTAIN OTHER
MATTERS RELATING THERETO**

ITEM 4

**APPROVE ECONOMIC
DEVELOPMENT GRANT AGREEMENT
WITH WOODFOREST NATIONAL BANK
FOR SITE IMPROVEMENTS IN
CONNECTION WITH THE REDEVELOPMENT
OF THE BANK BUILDING AT
400 W. DAVIS IN CONROE, TEXAS**

ECONOMIC DEVELOPMENT GRANT CONTRACT

STATE OF TEXAS §
COUNTY OF MONTGOMERY §

THIS AGREEMENT is made and effective this 9th day of December, 2020 (the "Effective Date"), by and between the CONROE INDUSTRIAL DEVELOPMENT CORPORATION ("CIDC"), a non-profit Texas corporation operating as a Type B development corporation under Texas Local Government Code Chapters 501, 502 and 505, joined herein for limited purposes by its authorizing unit of local government, the CITY OF CONROE, TEXAS ("CITY"), and WOODFOREST NATIONAL BANK ("WOODFOREST"), and is as follows:

RECITALS

WHEREAS, WOODFOREST proposes to demolish its existing bank building at 400 W. Davis Street in downtown Conroe, Texas (the "Property") and to replace the WOODFOREST branch (the "Branch") on that site with a new and expanded three story building, which will include a net rentable area of approximately 27,000 square feet of total area, including approximately 5,000 square feet of non-bank net rentable retail/office space on the ground floor of the new building. The new building will be referred to herein as the "Building"; and

WHEREAS, WOODFOREST is expected to incur significant demolition and site work costs to make the site suitable for the replacement building; and

WHEREAS, WOODFOREST will employ approximately five (5) full time employees located at the Building with an annual combined salary of approximately \$200,00.00; and

WHEREAS, CIDC is authorized to make grants and other expenditures found by its board of directors to be for site improvements that the board determines are suitable and necessary to promote new or expanded business enterprises; and

WHEREAS, as an incentive to WOODFOREST to replace and expand its existing facilities in downtown Conroe, the CIDC has agreed to make a grant of \$500,000 payable to WOODFOREST as provided herein; and

WHEREAS, the CIDC finds and determines that the cost of demolition and other expenditures necessary for site improvements to make the Property and Building suitable for the new multipurpose retail/commercial facility equals or exceeds the amount of the grant; and

WHEREAS, CIDC has previously conducted a public hearing on the proposed Building and Property and finds that the project will promote the development of new or expanded business enterprises in the community:

NOW THEREFORE BE IT MUTUALLY AGREED AS FOLLOWS:

1. **Grant.** CIDC hereby authorizes a grant to WOODFOREST in the amount of \$500,000 payable to WOODFOREST in two equal installments with the first installment payable within thirty days following the commencement of demolition of the existing building located at 400 W. Davis Street, Conroe, Texas, and a second installment payable within thirty days following substantial completion of the Building, parking and other associated improvements on the Property. The date of substantial completion shall be as certified by an architect retained by WOODFOREST.

2. **Development Regulations.** WOODFOREST and its contractor will make its best effort to comply with all applicable ordinances, codes regulations of the CITY that are applicable to the construction of the Building.

3. **No Agency.** No provision of this Agreement or act of any party in performance hereof shall be construed as making WOODFOREST or its contractors the agent, servant or employee of CIDC or the CITY for the purposes of the performance of this Agreement.

4. **Contractor Insurance.** WOODFOREST shall require its construction contractor to maintain the following coverages and limits of liability during the construction of the Building:

Worker's Compensation	Statutory for Worker's Compensation
Employer's Liability	\$500,000 bodily injury each accident \$500,000 bodily injury by disease \$500,000 policy limit
Commercial General Liability Including Broad Form Coverage, Contractual Liability, Bodily and Personal Injury, and Completed Operations	Damage, Combined limits of \$1,000,000 each Occurrence and \$2,000,000 Aggregate
Automobile Liability Insurance	\$1,000,000 combined single limit per Occurrence

5. **Timely Commencement and Completion of the Building; Recapture.** WOODFOREST must commence demolition of the existing improvements on the Property on or before December 31, 2020. WOODFOREST must diligently prosecute the construction to substantial completion within a reasonable time commensurate with the scope and complexity of the work, but in no event later than June 30, 2022, subject to reasonable extensions agreed to in writing by the parties based on Force Majeure (as defined herein). If for any reason WOODFOREST fails to substantially complete the construction of the new building in the time required, then WOODFOREST shall be in

default of this Agreement and shall be obligated to repay the grant funds previously paid pursuant to this Agreement in their entirety to CIDC upon thirty days after receipt of written notice and demand for repayment from CIDC. In such an event of default WOODFOREST shall also forfeit any right to the remaining substantial completion payment. "Force Majeure" means any event or occurrence which is outside the reasonable control of WOODFOREST including without limitation fire; flood; hurricane and other violent storm; pestilence; explosion; damage to the Property, current building on Property or the Building or any part thereof; armed conflict; acts of terrorism; nuclear, biological or chemical warfare; other potential disasters such as epidemics, pandemics, or quarantines, or any other disaster, natural or man-made, including epidemics, pandemics, or quarantines; government order, law, or action; or national or regional emergency.

6. Post Construction Operating Requirement. WOODFOREST must continue operation of the Branch and retail facility for a period of five full calendar years beginning on January 1 of the first calendar year following substantial completion of the Building and Branch reopening. During such term WOODFOREST shall offer for rent or lease a minimum of 9,000 square feet of non-bank commercial retail/office space in the Building for third party occupancy. During such five-year period WOODFOREST shall at all times seek to employ not less than five (5) full time employees located at the Building with a target annual combined salary of \$200,000.00.

On February 1 of each year following substantial completion of the Building and Branch reopening, WOODFOREST shall report its average employee and average payroll numbers for the prior year for employees located at the Building to CIDC and certify to CIDC that it continues to offer the required minimum amount of non-bank commercial/retail office space for rent to third party tenants. Such employee and payroll reports will be provided on a confidential basis and CIDC will not disclose such information without the prior written consent of WOODFOREST. Average employee counts shall be reported by month and shall be deemed to conform to the requirements of this Agreement if the average annual employee count is at least 85% of the target employment and payroll numbers. If for any reason, other than Force Majeure, WOODFOREST shall fail to meet the required 85% minimum employee and payroll requirement, or ceases to meet the requirement for non-bank commercial/retail tenant space for a given year, then WOODFOREST shall repay to CIDC one-fifth of the grant amount, such payment to be due and payable on or before March 1 of the year following the year of non-compliance.

7. Default. Before the failure of any party to perform its obligations under this Agreement shall be deemed to be a breach, the party claiming such failure shall notify the other in writing and shall demand performance. No breach of this Agreement may be found to have occurred if performance has commenced to the reasonable satisfaction of the complaining party within 30 days of the receipt of such notice.

8. Indemnity.

WOODFOREST COVENANTS AND WARRANTS THAT IT WILL PROTECT, DEFEND, AND HOLD HARMLESS THE CITY, CIDC AND THEIR EMPLOYEES, OFFICERS, AND LEGAL REPRESENTATIVES (COLLECTIVELY "THE INDEMNIFIED PARTIES") FROM ANY AND ALL THIRD PARTY CLAIMS, DEMANDS, AND LIABILITY, INCLUDING DEFENSE COSTS, DAMAGES, CLAIMS, OR FINES ARISING AS A DIRECT RESULT OF THE ACTUAL OR ALLEGED GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF WOODFOREST (INCLUDING ITS CONTRACTORS AND SUBCONTRACTORS) IN CONNECTION WITH ITS FAILURE TO MEET ITS OBLIGATIONS UNDER THIS AGREEMENT.

NOTWITHSTANDING THE FORGOING, THIS INDEMNITY PROVISION PROVIDED HEREIN SHALL HAVE NO APPLICATION TO ANY CLAIM OR DEMAND WHERE BODILY INJURY, DEATH, OR DAMAGE RESULTS FROM THE NEGLIGENCE OF ANY OF THE INDEMNIFIED PARTIES UNMIXED WITH ANY FAULT OF WOODFOREST OR FROM THE INTENTIONAL MISCONDUCT OF ANY OF THE INDEMNIFIED PARTIES.

NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, THE LIABILITY OF WOODFOREST UNDER THIS INDEMNITY PROVISION SHALL NOT EXCEED THE AMOUNT OF THE GRANT ACTUALLY RECEIVED BY WOODFOREST.

9. Assignment. This Agreement may not be assigned by any party without the written consent of the other party, which consent shall not be unreasonably withheld, conditioned or delayed and which shall not be required by CIDC or the CITY if WOODFOREST assigns its interest in this Agreement to an entity which is controlled by WOODFOREST, which controls WOODFOREST or which is under common control with WOODFOREST.

10. Approvals and Consents. Approvals or consents required or permitted to be given under this Agreement shall be given in writing and must be signed by a person authorized to give such approval or consent on behalf of the party. Any person executing an approval or consent on behalf of a party shall be conclusively presumed to be authorized by the party. Approvals and consents shall be effective without regard to whether given before or after the time required for giving such approvals or consents.

11. Address and Notice. Any notice to be given under this Agreement shall be given in writing and may be given either by depositing the notice in the United States mail postpaid, registered or certified mail, with return receipt requested; delivering the notice to an officer of such party; or sending the notice by prepaid telegram, when appropriate. Notice deposited by mail in the foregoing manner shall be effective the third day after the day on which it is deposited. Notice given in any other manner shall be effective only when received by the party to be notified. For the purposes of notice, the addresses of the parties shall be as follows:

If to the CIDC and/or CITY, to:

Conroe Industrial Development Corporation
P.O. Box 3066
Conroe, Texas 77305

If to WOODFOREST, to:

Woodforest National Bank
Attn: Brian Collins
25231 Grogan's Mill Road, 6th Floor
The Woodlands, Texas 77380

With copy to:
Woodforest National Bank
Attn: Legal Counsel
25231 Grogan's Mill Road, 2nd Floor
The Woodlands, Texas 77380

The parties shall have the right from time to time to change their respective addresses by giving at least fifteen (15) days' written notice of such change to the other party.

12. No Additional Waiver Implied. The failure of either party to insist upon performance of any provision of this Agreement shall not be construed as a waiver of the future performance of such provision by the other party.

13. Reservation of Rights. All rights, powers, privileges and authority of the parties hereto not restricted or affected by the express terms and provisions hereof are reserved by the parties and, from time to time, may be exercised and enforced by the parties.

14. Third Party Beneficiary. It is agreed and understood that the CITY is a third party beneficiary of this Agreement. There are no other third party beneficiaries.

15. Merger. This Agreement supersedes all prior Agreements between the parties regarding the same subject and embodies the entire understanding between the parties and there are no other representations, warranties or agreements between the parties covering the subject matter of this Agreement.

16. Captions. The captions of each section of this Agreement are inserted solely for convenience and shall never be given effect in construing the duties, obligations or liabilities of the parties hereto or any provisions hereof, or in ascertaining the intent of either party, with respect to the provisions hereof.

18. Interpretations. This Agreement and the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to sustain the validity of this Agreement.

19. Severability. If any provision of this Agreement or the application thereof to any person or circumstances is ever judicially declared invalid, such provision shall be deemed severed from this Agreement and the remaining portions of this Agreement shall remain in effect.

20. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas.

21. Venue. All claims or causes of action arising out of or related to this Agreement shall be brought in a court of appropriate jurisdiction in Montgomery County, Texas.

(Signatures on next page)


**CONROE INDUSTRIAL
DEVELOPMENT CORPORATION**

CITY OF CONROE, TEXAS

By: _____
President

By: _____
Mayor

WOODFOREST NATIONAL BANK

By: 
Name: Jay Dreibelbis
Title: CEO

ITEM 5

**AUTHORIZE VARIANCE FOR
BUILDING SETBACKS APPLICABLE
TO MACOTA PROPERTIES PROJECT
AND TAKE OTHER ACTION REGARDING
THE PROPOSED SITE PLAN**

ITEM 6

CLOSED SESSION DELIBERATION(S)

ITEM 7

**CONTRACT(S)/OFFER(S)
FOR SALE AND PURCHASE OF LAND**

ITEM 8

EXECUTIVE DIRECTOR'S REPORT

ITEM 9

**RESCHEDULE JANUARY 2021
BOARD MEETING**

ITEM 10

PAYMENT OF INVOICES

ITEM 11

ADJOURN