

**NOTICE OF REGULAR TOMBALL ECONOMIC DEVELOPMENT
CORPORATION MEETING**



**Tuesday, March 03, 2026
5:30 PM**

Notice is hereby given of a meeting of the Tomball Economic Development Corporation, to be held on Tuesday, March 03, 2026 at 5:30 PM, City Hall, 401 Market Street, Tomball, TX 77375, for the purpose of considering the following agenda items. All agenda items are subject to action. The Tomball Economic Development Corporation reserves the right to meet in a closed session for consultation with attorney on any agenda item should the need arise and if applicable pursuant to authorization by Title 5, Chapter 551, of the Texas Government Code.

THE TOMBALL ECONOMIC DEVELOPMENT CORPORATION OF THE CITY OF TOMBALL, TEXAS, WILL CONDUCT THE MEETING SCHEDULED FOR MARCH 3, 2026, 5:30 PM, AT 401 MARKET STREET, TOMBALL, TEXAS, 77375. THIS MEETING AGENDA AND THE AGENDA PACKET ARE POSTED ONLINE AT:

<HTTPS://TOMBALLTX.GOV/ARCHIVE.ASPX?AMID=38>

A RECORDING OF THE MEETING WILL BE MADE AND WILL BE AVAILABLE TO THE PUBLIC IN ACCORDANCE WITH THE OPEN MEETINGS ACT UPON WRITTEN REQUEST.

The public toll-free dial-in numbers to participate in the telephonic meeting are any one of the following (dial by your location): +1 312 626 6799 US (Chicago); +1 646 876 9923 US (New York); +1 301 715 8592 US; +1 346 248 7799 US (Houston); +1 408 638 0968 US (San Jose); +1 669 900 6833 US (San Jose); or +1 253 215 8782 US (Tahoma) - Meeting ID: 822 4423 6535 Passcode: 529734. The public will be permitted to offer public comments telephonically, as provided by the agenda and as permitted by the presiding officer during the meeting.

- A. Call to Order
- B. Invocation
- C. Pledges
- D. Public Comments and Receipt of Petitions; *[At this time, anyone will be allowed to speak on any matter other than personnel matters or matters under litigation, for length of time not to exceed three minutes. No Council/Board discussion or action may take place*

on a matter until such matter has been placed on an agenda and posted in accordance with law - GC, 551.042.]

E. Reports and Announcements

F. Reports by TEDC Staff:

1. Tomball Legacy Square Advisory Committee Meeting – February 19, 2026
2. Tomball Economic Development Corporation recognized by Texas Economic Development Council - 2025 Economic Excellence Award.
3. Summer Youth Employment Program Update

G. Approval of Minutes

4. Regular Tomball EDC Meeting of February 10, 2026

H. New Business

5. Presentation by Bragg Farmer, Finance Director, regarding the Tomball EDC 2025-2026 Fiscal Year financial statements.
6. Consideration and possible action by Tomball EDC, to approve, as a Project of the Corporation, an agreement with SMS Precision Tech, LLC to make direct incentives to, or expenditures for, the creation or retention of primary jobs associated with the construction and development of a corporate headquarters facility, located at 28002 and 28010 Johnson Road, Tomball, Texas 77375. The estimated amount of expenditures for such Project is \$70,500.00.
 - Public Hearing
7. EXECUTIVE SESSION: The Tomball Economic Development Corporation Board will meet in Executive Session as authorized by Title 5, Chapter 551, Texas Government Code, The Texas Open Meetings Act, for the following purpose:
 - Section 551.072, - Deliberations regarding real property: Deliberate the purchase, exchange, sale, lease, or value of real property.
 - Section 551.087, - Deliberation regarding Economic Development negotiations.
 - Section 551.074, - To deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee, to wit: TEDC Staff.
8. Reconvene into regular session and take action, if necessary, on items discussed in Executive Session.

9. Consideration and possible action by Tomball EDC to approve a budget amendment to the Tomball EDC 2025-2026 Fiscal Year Budget.
- Public Hearing

I. Adjournment

C E R T I F I C A T I O N

I hereby certify that the above notice of meeting was posted on the bulletin board of City Hall, City of Tomball, Texas, a place readily accessible to the general public at all times, on the 25th day of February 2026 by 5:30 PM, and remained posted for at least 72 continuous hours preceding the scheduled time of said meeting.

Kelly Violette
Executive Director

This facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to this meeting. Please contact the City Secretary's office at (281) 290-1019 for further information.

AGENDAS MAY BE VIEWED ONLINE AT www.ci.tomball.tx.us.

Regular Tomball EDC Agenda Item Data Sheet

Meeting Date: March 3, 2026

Topic:

Tomball Legacy Square Advisory Committee Meeting – February 19, 2026

Background:

Origination:

Recommendation:

Party(ies) responsible for placing this item on agenda: Kelly Violette

FUNDING (IF APPLICABLE)

Are funds specifically designated in the current budget for the full amount required for this purpose?

Yes: _____ No: _____ If yes, specify Account Number: # _____

If no, funds will be transferred from account # _____ To account # _____

Signed _____
Staff Member-TEDC Date

Approved by _____
Executive Director-TEDC Date

Regular Tomball EDC Agenda Item Data Sheet

Meeting Date: March 3, 2026

Topic:

Tomball Economic Development Corporation recognized by Texas Economic Development Council for 2025 Economic Excellence Award.

Background:

Origination:

Recommendation:

Party(ies) responsible for placing this item on agenda: Kelly Violette

FUNDING (IF APPLICABLE)

Are funds specifically designated in the current budget for the full amount required for this purpose?

Yes: _____ No: _____ If yes, specify Account Number: # _____

If no, funds will be transferred from account # _____ To account # _____

Signed _____
Staff Member-TEDC Date

Approved by _____
Executive Director-TEDC Date

Regular Tomball EDC Agenda Item Data Sheet

Meeting Date: March 3, 2026

Topic:

Summer Youth Employment Program Update

Background:

Origination:

Recommendation:

Party(ies) responsible for placing this item on agenda: Kelly Violette

FUNDING (IF APPLICABLE)

Are funds specifically designated in the current budget for the full amount required for this purpose?

Yes: _____ No: _____ If yes, specify Account Number: # _____

If no, funds will be transferred from account # _____ To account # _____

Signed _____
Staff Member-TEDC Date

Approved by _____
Executive Director-TEDC Date

Regular Tomball EDC Agenda Item Data Sheet

Meeting Date: March 3, 2026

Topic:

Regular Tomball EDC Meeting of February 10, 2026

Background:

Origination: Kelly Violette, Executive Director

Recommendation:

Approval of the Minutes for the Meeting of February 10, 2026

Party(ies) responsible for placing this item on agenda: Kelly Violette

FUNDING (IF APPLICABLE)

Are funds specifically designated in the current budget for the full amount required for this purpose?

Yes: _____ No: _____ If yes, specify Account Number: # _____

If no, funds will be transferred from account # _____ To account # _____

Signed _____
Staff Member-TEDC Date

Approved by _____
Executive Director-TEDC Date

**NOTICE OF REGULAR TOMBALL ECONOMIC DEVELOPMENT
CORPORATION MEETING**



**Tuesday, February 10, 2026
5:30 PM**

Notice is hereby given of a meeting of the Tomball Economic Development Corporation, to be held on Tuesday, February 10, 2026 at 5:30 PM, City Hall, 401 Market Street, Tomball, TX 77375, for the purpose of considering the following agenda items. All agenda items are subject to action. The Tomball Economic Development Corporation reserves the right to meet in a closed session for consultation with attorney on any agenda item should the need arise and if applicable pursuant to authorization by Title 5, Chapter 551, of the Texas Government Code.

THE TOMBALL ECONOMIC DEVELOPMENT CORPORATION OF THE CITY OF TOMBALL, TEXAS, WILL CONDUCT THE MEETING SCHEDULED FOR FEBRUARY 10, 2026, 5:30 PM, AT 401 MARKET STREET, TOMBALL, TEXAS, 77375. THIS MEETING AGENDA AND THE AGENDA PACKET ARE POSTED ONLINE AT:

<HTTPS://TOMBALLTX.GOV/ARCHIVE.ASPX?AMID=38>

A RECORDING OF THE MEETING WILL BE MADE AND WILL BE AVAILABLE TO THE PUBLIC IN ACCORDANCE WITH THE OPEN MEETINGS ACT UPON WRITTEN REQUEST.

The public toll-free dial-in numbers to participate in the telephonic meeting are any one of the following (dial by your location): +1 312 626 6799 US (Chicago); +1 646 876 9923 US (New York); +1 301 715 8592 US; +1 346 248 7799 US (Houston); +1 408 638 0968 US (San Jose); +1 669 900 6833 US (San Jose); or +1 253 215 8782 US (Tahoma) - Meeting ID: 831 0187 2964 Passcode: 666091. The public will be permitted to offer public comments telephonically, as provided by the agenda and as permitted by the presiding officer during the meeting.

A. Call to Order

President Covington called the meeting to order at 5:30 p.m.

PRESENT

President Lisa Covington

Vice President Danny Hudson

Secretary Bill Sumner

Treasurer Latrell Shannon
Member Wayne Hall
Member Brock Hendrickson
Member Becky Clepper

OTHERS PRESENT

Kelly Violette
Tiffani Wooten
Tori Gleason
Tom Condon
Kyle Bertrand
Ryan Walsh
Scott Moore Jr
Elaine Hancock
McKayley Dannelley (via Zoom)
Kaela Olson (via Zoom)

B. Invocation

Board Member Hendrickson led the invocation.

C. Pledges

Kelly Violette led the pledge of allegiance to both flags.

D. Public Comments and Receipt of Petitions; *[At this time, anyone will be allowed to speak on any matter other than personnel matters or matters under litigation, for length of time not to exceed three minutes. No Council/Board discussion or action may take place on a matter until such matter has been placed on an agenda and posted in accordance with law - GC, 551.042.]*

No public comments were received.

E. Reports and Announcements

F. Reports by TEDC Staff:

Kelly Violette and Tiffani Wooten provided an overview of the following:

1. Tomball Legacy Square Advisory Committee Update
2. Summer Youth Employment Program Update
3. TEDC Webinar #3 – Andrew Brockenbush – AI for Small Business: A Deep Dive into ChatGPT, Prompt Tricks & Emerging AI Tools – February 17, 2026 at 10:00 a.m.

E. Approval of Minutes

4. Regular Tomball EDC Meeting of January 13, 2026

Motion made by Vice President Hudson, Seconded by Member Clepper to approve the minutes of the January 13, 2026 TEDC Board Meeting.

Voting Yea: Vice President Hudson, Secretary Sumner, Treasurer Shannon, Member Hall, Member Hendrickson, Member Clepper.

The motion carried unanimously.

F. New Business

- 5. Consideration and possible action by Tomball EDC to approve, as a Project of the Corporation, an Old Town Façade Improvement Grant for Tejas Dragon Companies, LLC to make direct incentives to, or expenditures for, building improvements for new or expanded business enterprise to be located at 306 Market Street, Tomball, Texas 77375. The estimated amount of expenditures for such Project is \$40,000.00.

Public Hearing

President Covington opened the public hearing at 5:51 p.m. No comments were received. Public hearing was closed at 5:51 p.m.

Motion made by Secretary Sumner, Seconded by Member Hall to approve an Old Town Façade Improvement Grant with Tejas Dragon Companies, LLC as mentioned above in an amount not to exceed \$40,000.00.

Voting Yea: Vice President Hudson, Secretary Sumner, Treasurer Shannon, Member Hall, Member Hendrickson, Member Clepper.

The motion carried unanimously.

- 6. Consideration and possible action to approve the Tomball Economic Development Corporation Ethics and Conflict of Interest Policy.

Motion made by Treasurer Shannon, Seconded by Member Clepper to approve the Tomball Economic Development Corporation Ethics and Conflict of Interest Policy with the addition of related entity, and affiliate to section 5.

Voting Yea: Vice President Hudson, Secretary Sumner, Treasurer Shannon, Member Hall, Member Hendrickson, Member Clepper.

The motion carried unanimously.

- 7. Consideration and possible action to approve the playground demolition at Tomball Legacy Square for an amount not to exceed \$7,500.00.

Motion made by Secretary Sumner, Seconded by Member Hendrickson to approve the playground demolition at Tomball Legacy Square for an amount not to exceed \$7,500.00.

Voting Yea: Vice President Hudson, Secretary Sumner, Treasurer Shannon, Member Hall, Member Hendrickson, Member Clepper.

The motion carried unanimously.

- 8. Presentation by the Tomball Legacy Square Board Committee regarding Phase 1 of the Webb Management Feasibility Study.

Presentation item only; no Board action required.

- 9. Consideration and possible action to approve a Professional Services Agreement with Civic Solutions Partnership for professional consulting services related to the development of the 2026-2029 Tomball Economic Development Corporation Strategic Plan for an amount not to exceed \$85,200.00.

Motion made by Secretary Sumner, Seconded by Member Hall to approve a Professional Services Agreement with Civic Solutions Partnership for professional consulting services related to the development of the 2026-2029 Tomball Economic Development Corporation Strategic Plan for an amount not to exceed \$85,200.00.

Voting Yea: Vice President Hudson, Secretary Sumner, Treasurer Shannon, Member Hall, Member Hendrickson, Member Clepper.

The motion carried unanimously.

- 10. TEDC Quarterly update on 2025-2026 Strategic Work Plan.

Tiffani Wooten provided an overview.

Presentation item only; no Board action required.

- 11. EXECUTIVE SESSION: The Tomball Economic Development Corporation Board will meet in Executive Session as authorized by Title 5, Chapter 551, Texas Government Code, The Texas Open Meetings Act, for the following purpose:

- Section 551.072, - Deliberations regarding real property: Deliberate the purchase, exchange, sale, lease, or value of real property.
- Section 551.087, - Deliberation regarding Economic Development negotiations.
- Section 551.074, - To deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee, to wit: TEDC Staff.

The Tomball Economic Development Corporation Board of Directors recessed at 6:44 p.m.

12. Reconvene into regular session and take action, if necessary, on items discussed in Executive Session.

The Tomball Economic Development Corporation Board of Directors reconvened at 7:34 p.m.

G. Adjournment

Motion made by Treasurer Shannon, Seconded by Member Clepper to adjourn the meeting.

Voting Yea: Vice President Hudson, Secretary Sumner, Treasurer Shannon, Member Hall, Member Hendrickson, Member Clepper.

The motion carried unanimously. Meeting adjourned at 7:34 p.m.

CERTIFICATION

I hereby certify that the above notice of meeting was posted on the bulletin board of City Hall, City of Tomball, Texas, a place readily accessible to the general public at all times, on the 4th day of FEBRUARY 2026 by 5:30 PM, and remained posted for at least 72 continuous hours preceding the scheduled time of said meeting.

Kelly Violette
Executive Director

This facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to this meeting. Please contact the City Secretary’s office at (281) 290-1019 for further information.

AGENDAS MAY BE VIEWED ONLINE AT www.ci.tomball.tx.us.

PASSED AND APPROVED this the 3rd day of March 2026.

President, Tomball EDC Board

Secretary, Tomball EDC Board

Regular Tomball EDC Agenda Item Data Sheet

Meeting Date: March 3, 2026

Topic:

Presentation by Bragg Farmer, Finance Director, regarding the Tomball EDC 2025-2026 Fiscal Year financial statements.

Background:

- Standard Balance Sheet
- Comparison Balance Sheet
- Profit & Loss to Actual
- Comparison Profit & Loss
- Active Project Grants
- Analysis of Project Grants
- Quarterly Investment Report
- Business Improvement Grants Overview
- Old Town Façade Improvement Grants Overview

Origination: Bragg Farmer, Finance Director

Recommendation: Presentation item only.

Party(ies) responsible for placing this item on agenda: Kelly Violette

FUNDING (IF APPLICABLE)

Are funds specifically designated in the current budget for the full amount required for this purpose?

Yes: _____ No: _____ If yes, specify Account Number: # _____

If no, funds will be transferred from account # _____ To account # _____

Signed _____
Staff Member-TEDC Date

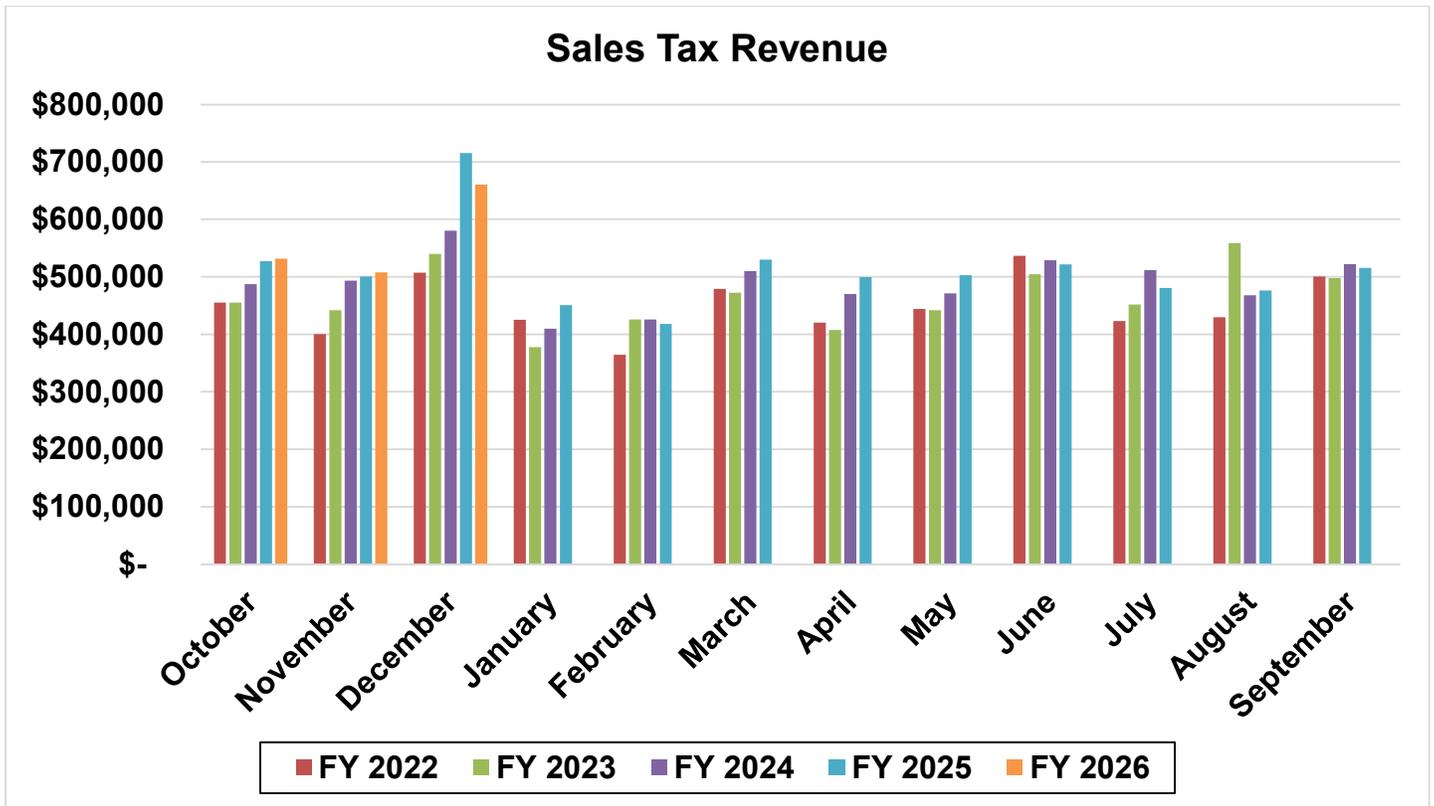
Approved by _____
Executive Director-TEDC Date

TOMBALL ECONOMIC DEVELOPMENT CORPORATION MEMORANDUM

TO: TEDC Board of Directors
FROM: Bragg Farmer
SUBJECT: Financial Information for Quarter Ending December 31, 2025
DATE: February 23, 2026

Attached is the financial information for the quarter ending December, 2025, for the Tomball Economic Development Corporation.

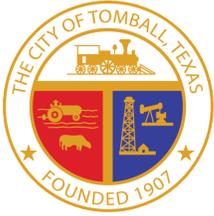
Total year-to-date (YTD) revenues are \$2,054,346 which is \$229,346 more than the budgeted amount of \$1,825,000. Sales tax revenues are \$1,699,690, which is \$124,690 greater than the budgeted amount of \$1,575,000. Interest income is \$269,736, which is \$19,736 more than budgeted amount of \$250,000. For fiscal year to date, sales tax revenues are 2.5% lower than the previous year on an accrual basis and interest income is lower by 17.8% from the previous year.



Total administrative expenses for the quarter YTD is \$199,387, which is \$67,070 less than the budgeted amount of \$266,457. Indirect Economic Development expenses for the quarter YTD are \$210,532, which is \$6,411 higher than the budgeted amount of \$204,121.

Included in the financial information is a schedule of active project grants, which assists with tracking of TEDC grant commitments. The schedule is updated as project grants are added, and prior commitments are paid. As of December 31, 2025, the TEDC had outstanding commitments for Board Approved Grants of \$6,674,873.

The Quarterly Investment Report is also included, which lists the details of the TEDC investment portfolio. As of December 31, 2025, TEDC’s cash and cash equivalents totaled over \$27 million. Additionally, TEDC has redeemed all securities until interest rates warrant movement back into the securities market.



Tomball, TX

Budget Report Account Summary

Item 5.

For Fiscal: 2025-2026 Period Ending: 12/31/2025

| | | Original YTD Budget | Current YTD Budget | Period Activity | Fiscal Activity | Variance Favorable (Unfavorable) | Percent Used |
|--|--------------------------------|------------------------|-----------------------|---------------------|---------------------|--|-----------------|
| Fund: 905 - TOMBALL ECONOMIC DEVELOPMENT COPR | | | | | | | |
| Revenue | | | | | | | |
| Category: 51 - TAXES | | | | | | | |
| 905-5140 | SALES TAX | 1,574,370.00 | 1,574,370.00 | 1,699,689.62 | 1,699,689.62 | 125,319.62 | 107.96 % |
| Category: 51 - TAXES Total: | | 1,574,370.00 | 1,574,370.00 | 1,699,689.62 | 1,699,689.62 | 125,319.62 | 107.96% |
| Category: 55 - MISCELLANEOUS | | | | | | | |
| 905-5501 | LEASE REVENUE - FBC | 0.00 | 0.00 | 7,500.00 | 7,500.00 | 7,500.00 | 0.00 % |
| 905-5502 | LEASE REVENUE - SOUTH LIVE OAK | 0.00 | 0.00 | 77,420.22 | 77,420.22 | 77,420.22 | 0.00 % |
| Category: 55 - MISCELLANEOUS Total: | | 0.00 | 0.00 | 84,920.22 | 84,920.22 | 84,920.22 | 0.00% |
| Category: 58 - INTEREST | | | | | | | |
| 905-5800 | INTEREST INCOME | 249,900.00 | 249,900.00 | 88,336.22 | 269,736.38 | 19,836.38 | 107.94 % |
| Category: 58 - INTEREST Total: | | 249,900.00 | 249,900.00 | 88,336.22 | 269,736.38 | 19,836.38 | 107.94% |
| Revenue Total: | | 1,824,270.00 | 1,824,270.00 | 1,872,946.06 | 2,054,346.22 | 230,076.22 | 112.61% |
| Expense | | | | | | | |
| Category: 60 - PERSONNEL SERVICES | | | | | | | |
| 905-123-6002 | SALARIES & WAGES | 103,978.62 | 103,978.62 | 35,939.21 | 96,171.59 | 7,807.03 | 92.49 % |
| 905-123-6003 | WAGES-FULL TIME | 12,781.38 | 12,781.38 | 0.00 | 0.00 | 12,781.38 | 0.00 % |
| 905-123-6004 | WAGES-PART TIME | 0.00 | 0.00 | 663.75 | 1,771.05 | -1,771.05 | 0.00 % |
| 905-123-6005 | WAGES-OVERTIME | 891.39 | 891.39 | 156.74 | 232.66 | 658.73 | 26.10 % |
| 905-123-6009 | WAGES-OTHER | 2,249.10 | 2,249.10 | 0.00 | 0.00 | 2,249.10 | 0.00 % |
| 905-123-6019 | LONGEVITY | 693.45 | 693.45 | 0.00 | 2,775.00 | -2,081.55 | 400.17 % |
| 905-123-6021 | FICA-MED/SS | 9,392.22 | 9,392.22 | 2,184.66 | 7,262.83 | 2,129.39 | 77.33 % |
| 905-123-6022 | TMRS-EMPLOYER | 17,999.04 | 17,999.04 | 5,689.87 | 15,722.40 | 2,276.64 | 87.35 % |
| 905-123-6024 | HEALTH INSURANCE | 24,041.85 | 24,041.85 | 20,214.92 | 20,214.92 | 3,826.93 | 84.08 % |
| 905-123-6025 | WORKER COMPENSATION INSURA | 99.96 | 99.96 | 20.91 | 361.91 | -261.95 | 362.05 % |
| 905-123-6034 | PHONE ALLOWANCE | 674.73 | 674.73 | 225.00 | 675.00 | -0.27 | 100.04 % |
| 905-123-6035 | AUTO ALLOWANCE | 6,447.42 | 6,447.42 | 2,150.00 | 6,450.00 | -2.58 | 100.04 % |
| Category: 60 - PERSONNEL SERVICES Total: | | 179,249.16 | 179,249.16 | 67,245.06 | 151,637.36 | 27,611.80 | 84.60% |
| Category: 61 - SUPPLIES | | | | | | | |
| 905-123-6101 | OFFICE & COMPUTER SUPPLIES | 3,498.60 | 3,498.60 | 725.77 | 3,478.58 | 20.02 | 99.43 % |
| 905-123-6109 | POSTAGE | 62.46 | 62.46 | 11.40 | 30.64 | 31.82 | 49.06 % |
| Category: 61 - SUPPLIES Total: | | 3,561.06 | 3,561.06 | 737.17 | 3,509.22 | 51.84 | 98.54% |
| Category: 62 - REPAIRS AND MAINTENANCE | | | | | | | |
| 905-123-6202 | COMPUTER EQUIPMENT MAINTEN | 2,998.80 | 2,998.80 | 601.10 | 1,131.45 | 1,867.35 | 37.73 % |
| Category: 62 - REPAIRS AND MAINTENANCE Total: | | 2,998.80 | 2,998.80 | 601.10 | 1,131.45 | 1,867.35 | 37.73% |
| Category: 63 - SERVICES AND CHARGES | | | | | | | |
| 905-123-6303 | PROFESSIONAL SVCS LEGAL | 7,497.00 | 7,497.00 | 443.00 | 443.00 | 7,054.00 | 5.91 % |
| 905-123-6307 | CONTRACTED ADMINISTRATIVE SE | 13,830.69 | 13,830.69 | 13,750.00 | 13,750.00 | 80.69 | 99.42 % |
| 905-123-6310 | LEASE EXPENSE - GTACC | 21,291.48 | 21,291.48 | 6,330.99 | 18,992.97 | 2,298.51 | 89.20 % |
| 905-123-6312 | INTERNET & PHONE SVCS | 1,749.30 | 1,749.30 | 426.68 | 1,273.50 | 475.80 | 72.80 % |
| 905-123-6316 | PRINTING AND BINDING | 1,624.35 | 1,624.35 | 0.00 | 1,520.89 | 103.46 | 93.63 % |
| 905-123-6330 | INSURANCE | 23,240.70 | 23,240.70 | 0.00 | 248.00 | 22,992.70 | 1.07 % |
| 905-123-6332 | TRAVEL AND MEALS | 3,873.45 | 3,873.45 | 0.00 | 3,651.63 | 221.82 | 94.27 % |
| 905-123-6333 | DUES AND SUBSCRIPTIONS | 4,998.00 | 4,998.00 | 426.26 | 2,700.00 | 2,298.00 | 54.02 % |
| 905-123-6337 | TRAINING | 3,998.40 | 3,998.40 | 700.00 | 2,050.00 | 1,948.40 | 51.27 % |
| 905-123-6348 | PROPERTY ACQUISITION COST | 249,900.00 | 249,900.00 | 0.00 | 0.00 | 249,900.00 | 0.00 % |
| 905-123-6372 | MARKETING | 37,485.00 | 37,485.00 | 3,600.00 | 87,494.30 | -50,009.30 | 233.41 % |
| 905-123-6373 | ECONOMIC IMPACT MODEL LICENS | 1,245.48 | 1,245.48 | 0.00 | 4,984.00 | -3,738.52 | 400.17 % |
| 905-123-6374 | EVENT SPONSORSHIPS | 7,247.10 | 7,247.10 | 762.50 | 5,362.50 | 1,884.60 | 74.00 % |
| 905-123-6375 | WEBSITE & GIS | 6,497.40 | 6,497.40 | 2,140.00 | 15,750.00 | -9,252.60 | 242.40 % |

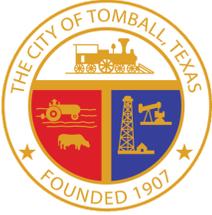
| | | Original YTD Budget | Current YTD Budget | Period Activity | Fiscal Activity | Variance Favorable (Unfavorable) | Percent Used |
|---|--------------------------------|------------------------|-----------------------|---------------------|---------------------|--|-----------------|
| 905-123-6376 | PROFESSIONAL SERVICES | 141,193.50 | 141,193.50 | 18,864.44 | 93,892.28 | 47,301.22 | 66.50 % |
| 905-123-6377 | GROW TOMBALL INITIATIVE | 4,998.00 | 4,998.00 | 0.00 | 0.00 | 4,998.00 | 0.00 % |
| 905-123-6378 | MISCELLANEOUS | 3,748.50 | 3,748.50 | 318.77 | 1,527.64 | 2,220.86 | 40.75 % |
| 905-123-6379 | SALES TAX REIMBURSEMENT GRAN | 24,990.00 | 24,990.00 | 0.00 | 0.00 | 24,990.00 | 0.00 % |
| 905-123-6380 | BUSINESS IMPROVEMENT GRANTS | 87,465.00 | 87,465.00 | 375.37 | 375.37 | 87,089.63 | 0.43 % |
| 905-123-6381 | BUSINESS IMPROVEMENT GRANTS | 62,475.00 | 62,475.00 | 18,971.36 | 49,721.95 | 12,753.05 | 79.59 % |
| 905-123-6382 | OLD TOWN FACADE GRANTS - CY | 62,475.00 | 62,475.00 | 0.00 | 0.00 | 62,475.00 | 0.00 % |
| 905-123-6383 | OLD TOWN FACADE GRANTS - PY | 47,481.00 | 47,481.00 | 0.00 | 40,000.00 | 7,481.00 | 84.24 % |
| 905-123-6384 | OLD TOWN PROJECTS | 174,930.00 | 174,930.00 | 0.00 | 5,126.01 | 169,803.99 | 2.93 % |
| 905-123-6387 | SOUTH LIVE OAK REDEVELOPMENT | 124,950.00 | 124,950.00 | 38,970.50 | 38,970.50 | 85,979.50 | 31.19 % |
| 905-123-6388 | BUSINESS PARK EXPENSES | 24,990.00 | 24,990.00 | 0.00 | 5,091.58 | 19,898.42 | 20.37 % |
| 905-123-6390 | FIRST BAPTIST CHURCH EXPENSES | 0.00 | 0.00 | 17,671.93 | 14,905.49 | -14,905.49 | 0.00 % |
| 905-123-6391 | SUMMER YOUTH EMPLOYMENT PR | 62,475.00 | 62,475.00 | 0.00 | 17,643.90 | 44,831.10 | 28.24 % |
| 905-123-6394 | TOMBALL LEGACY SQUARE | 749,700.00 | 749,700.00 | 26,188.82 | 170,947.58 | 578,752.42 | 22.80 % |
| 905-123-6395 | PROJECTS GRANTS | 2,078,763.39 | 2,078,763.39 | 145,500.00 | 145,500.00 | 1,933,263.39 | 7.00 % |
| 905-123-6399 | SERVICE CHARGES | 62.46 | 62.46 | 0.00 | 0.00 | 62.46 | 0.00 % |
| 905-123-6931 | BUSINESS PARK INFRASTRUCTURE (| 137,048.40 | 137,048.40 | 0.00 | 0.00 | 137,048.40 | 0.00 % |
| Category: 63 - SERVICES AND CHARGES Total: | | 4,172,223.60 | 4,172,223.60 | 295,440.62 | 741,923.09 | 3,430,300.51 | 17.78% |
| Category: 69 - DEBT/FLEET SERVICE | | | | | | | |
| 905-123-6932 | MEDICAL COMPLEX/PERSIMMON (| 55,533.27 | 55,533.27 | 0.00 | 0.00 | 55,533.27 | 0.00 % |
| 905-123-6933 | SOUTHSIDE SEWER PLANT EXPANSI | 374,850.00 | 374,850.00 | 0.00 | 0.00 | 374,850.00 | 0.00 % |
| Category: 69 - DEBT/FLEET SERVICE Total: | | 430,383.27 | 430,383.27 | 0.00 | 0.00 | 430,383.27 | 0.00% |
| Expense Total: | | 4,788,415.89 | 4,788,415.89 | 364,023.95 | 898,201.12 | 3,890,214.77 | 18.76% |
| Fund: 905 - TOMBALL ECONOMIC DEVELOPMENT COPR Surplus (D | | -2,964,145.89 | -2,964,145.89 | 1,508,922.11 | 1,156,145.10 | 4,120,290.99 | -39.00% |
| Report Surplus (Deficit): | | -2,964,145.89 | -2,964,145.89 | 1,508,922.11 | 1,156,145.10 | 4,120,290.99 | -39.00% |

Group Summary

| Category | Original YTD Budget | Current YTD Budget | Period Activity | Fiscal Activity | Variance Favorable (Unfavorable) | Percent Used |
|--|------------------------|-----------------------|---------------------|---------------------|--|-----------------|
| Fund: 905 - TOMBALL ECONOMIC DEVELOPMENT COPR | | | | | | |
| Revenue | | | | | | |
| 51 - TAXES | 1,574,370.00 | 1,574,370.00 | 1,699,689.62 | 1,699,689.62 | 125,319.62 | 107.96% |
| 55 - MISCELLANEOUS | 0.00 | 0.00 | 84,920.22 | 84,920.22 | 84,920.22 | 0.00% |
| 58 - INTEREST | 249,900.00 | 249,900.00 | 88,336.22 | 269,736.38 | 19,836.38 | 107.94% |
| Revenue Total: | 1,824,270.00 | 1,824,270.00 | 1,872,946.06 | 2,054,346.22 | 230,076.22 | 112.61% |
| Expense | | | | | | |
| 60 - PERSONNEL SERVICES | 179,249.16 | 179,249.16 | 67,245.06 | 151,637.36 | 27,611.80 | 84.60% |
| 61 - SUPPLIES | 3,561.06 | 3,561.06 | 737.17 | 3,509.22 | 51.84 | 98.54% |
| 62 - REPAIRS AND MAINTENANCE | 2,998.80 | 2,998.80 | 601.10 | 1,131.45 | 1,867.35 | 37.73% |
| 63 - SERVICES AND CHARGES | 4,172,223.60 | 4,172,223.60 | 295,440.62 | 741,923.09 | 3,430,300.51 | 17.78% |
| 69 - DEBT/FLEET SERVICE | 430,383.27 | 430,383.27 | 0.00 | 0.00 | 430,383.27 | 0.00% |
| Expense Total: | 4,788,415.89 | 4,788,415.89 | 364,023.95 | 898,201.12 | 3,890,214.77 | 18.76% |
| Fund: 905 - TOMBALL ECONOMIC DEVELOPMENT COPR Surplus (D) | -2,964,145.89 | -2,964,145.89 | 1,508,922.11 | 1,156,145.10 | 4,120,290.99 | -39.00% |
| Report Surplus (Deficit): | -2,964,145.89 | -2,964,145.89 | 1,508,922.11 | 1,156,145.10 | 4,120,290.99 | -39.00% |

Fund Summary

| Fund | Original YTD Budget | Current YTD Budget | Period Activity | Fiscal Activity | Variance Favorable (Unfavorable) |
|----------------------------------|------------------------|-----------------------|---------------------|---------------------|--|
| 905 - TOMBALL ECONOMIC DEVEI | -2,964,145.89 | -2,964,145.89 | 1,508,922.11 | 1,156,145.10 | 4,120,290.99 |
| Report Surplus (Deficit): | -2,964,145.89 | -2,964,145.89 | 1,508,922.11 | 1,156,145.10 | 4,120,290.99 |



Tomball, TX

Prior-Year Comparative Income Statement

Account Summary

For the Period Ending 12/31/2025

Item 5.

| | | 2025-2026 | 2024-2025 | Dec. Variance | | 2025-2026 | 2024-2025 | YTD Variance | |
|--|--------------------------------|---------------------|---------------|---------------------------|--------------|---------------------|--------------|---------------------------|--------------|
| | | Dec. Activity | Dec. Activity | Favorable / (Unfavorable) | Variance % | YTD Activity | YTD Activity | Favorable / (Unfavorable) | Variance % |
| Fund: 905 - TOMBALL ECONOMIC DEVELOPMENT COPR | | | | | | | | | |
| Revenue | | | | | | | | | |
| Category: 51 - TAXES | | | | | | | | | |
| 905-5140 | SALES TAX | 1,699,689.62 | 0.00 | 1,699,689.62 | 0.00% | 1,699,689.62 | 0.00 | 1,699,689.62 | 0.00% |
| Category 51 - TAXES Total: | | 1,699,689.62 | 0.00 | 1,699,689.62 | 0.00% | 1,699,689.62 | 0.00 | 1,699,689.62 | 0.00% |
| Category: 55 - MISCELLANEOUS | | | | | | | | | |
| 905-5501 | LEASE REVENUE - FBC | 7,500.00 | 0.00 | 7,500.00 | 0.00% | 7,500.00 | 0.00 | 7,500.00 | 0.00% |
| 905-5502 | LEASE REVENUE - SOUTH LIVE OAK | 77,420.22 | 0.00 | 77,420.22 | 0.00% | 77,420.22 | 0.00 | 77,420.22 | 0.00% |
| Category 55 - MISCELLANEOUS Total: | | 84,920.22 | 0.00 | 84,920.22 | 0.00% | 84,920.22 | 0.00 | 84,920.22 | 0.00% |
| Category: 58 - INTEREST | | | | | | | | | |
| 905-5800 | INTEREST INCOME | 88,336.22 | 0.00 | 88,336.22 | 0.00% | 269,736.38 | 0.00 | 269,736.38 | 0.00% |
| Category 58 - INTEREST Total: | | 88,336.22 | 0.00 | 88,336.22 | 0.00% | 269,736.38 | 0.00 | 269,736.38 | 0.00% |
| Revenue Total: | | 1,872,946.06 | 0.00 | 1,872,946.06 | 0.00% | 2,054,346.22 | 0.00 | 2,054,346.22 | 0.00% |
| Expense | | | | | | | | | |
| Category: 60 - PERSONNEL SERVICES | | | | | | | | | |
| 905-123-6002 | SALARIES & WAGES | 35,939.21 | 0.00 | -35,939.21 | 0.00% | 96,171.59 | 0.00 | -96,171.59 | 0.00% |
| 905-123-6004 | WAGES-PART TIME | 663.75 | 0.00 | -663.75 | 0.00% | 1,771.05 | 0.00 | -1,771.05 | 0.00% |
| 905-123-6005 | WAGES-OVERTIME | 156.74 | 0.00 | -156.74 | 0.00% | 232.66 | 0.00 | -232.66 | 0.00% |
| 905-123-6019 | LONGEVITY | 0.00 | 0.00 | 0.00 | 0.00% | 2,775.00 | 0.00 | -2,775.00 | 0.00% |
| 905-123-6021 | FICA-MED/SS | 2,184.66 | 0.00 | -2,184.66 | 0.00% | 7,262.83 | 0.00 | -7,262.83 | 0.00% |
| 905-123-6022 | TMRS-EMPLOYER | 5,689.87 | 0.00 | -5,689.87 | 0.00% | 15,722.40 | 0.00 | -15,722.40 | 0.00% |
| 905-123-6024 | HEALTH INSURANCE | 20,214.92 | 0.00 | -20,214.92 | 0.00% | 20,214.92 | 0.00 | -20,214.92 | 0.00% |
| 905-123-6025 | WORKER COMPENSATION INSURANC | 20.91 | 0.00 | -20.91 | 0.00% | 361.91 | 0.00 | -361.91 | 0.00% |
| 905-123-6034 | PHONE ALLOWANCE | 225.00 | 0.00 | -225.00 | 0.00% | 675.00 | 0.00 | -675.00 | 0.00% |
| 905-123-6035 | AUTO ALLOWANCE | 2,150.00 | 0.00 | -2,150.00 | 0.00% | 6,450.00 | 0.00 | -6,450.00 | 0.00% |
| Category 60 - PERSONNEL SERVICES Total: | | 67,245.06 | 0.00 | -67,245.06 | 0.00% | 151,637.36 | 0.00 | -151,637.36 | 0.00% |
| Category: 61 - SUPPLIES | | | | | | | | | |
| 905-123-6101 | OFFICE & COMPUTER SUPPLIES | 725.77 | 0.00 | -725.77 | 0.00% | 3,478.58 | 0.00 | -3,478.58 | 0.00% |
| 905-123-6109 | POSTAGE | 11.40 | 0.00 | -11.40 | 0.00% | 30.64 | 0.00 | -30.64 | 0.00% |
| Category 61 - SUPPLIES Total: | | 737.17 | 0.00 | -737.17 | 0.00% | 3,509.22 | 0.00 | -3,509.22 | 0.00% |
| Category: 62 - REPAIRS AND MAINTENANCE | | | | | | | | | |
| 905-123-6202 | COMPUTER EQUIPMENT MAINTENA | 601.10 | 0.00 | -601.10 | 0.00% | 1,131.45 | 0.00 | -1,131.45 | 0.00% |
| Category 62 - REPAIRS AND MAINTENANCE Total: | | 601.10 | 0.00 | -601.10 | 0.00% | 1,131.45 | 0.00 | -1,131.45 | 0.00% |

Prior-Year Comparative Income Statement

For the Period Ending 12/31 Item 5.

| | | 2025-2026 | 2024-2025 | Dec. Variance | | 2025-2026 | 2024-2025 | YTD Variance | |
|--|---------------------------------|---------------------|---------------|---------------------|--------------|---------------------|--------------|---------------------|--------------|
| | | Dec. Activity | Dec. Activity | Favorable / | Variance % | YTD Activity | YTD Activity | Favorable / | Variance % |
| | | | | (Unfavorable) | | | | (Unfavorable) | |
| Category: 63 - SERVICES AND CHARGES | | | | | | | | | |
| 905-123-6303 | PROFESSIONAL SVCS LEGAL | 443.00 | 0.00 | -443.00 | 0.00% | 443.00 | 0.00 | -443.00 | 0.00% |
| 905-123-6307 | CONTRACTED ADMINISTRATIVE SERVI | 13,750.00 | 0.00 | -13,750.00 | 0.00% | 13,750.00 | 0.00 | -13,750.00 | 0.00% |
| 905-123-6310 | LEASE EXPENSE - GTACC | 6,330.99 | 0.00 | -6,330.99 | 0.00% | 18,992.97 | 0.00 | -18,992.97 | 0.00% |
| 905-123-6312 | INTERNET & PHONE SVCS | 426.68 | 0.00 | -426.68 | 0.00% | 1,273.50 | 0.00 | -1,273.50 | 0.00% |
| 905-123-6316 | PRINTING AND BINDING | 0.00 | 0.00 | 0.00 | 0.00% | 1,520.89 | 0.00 | -1,520.89 | 0.00% |
| 905-123-6330 | INSURANCE | 0.00 | 0.00 | 0.00 | 0.00% | 248.00 | 0.00 | -248.00 | 0.00% |
| 905-123-6332 | TRAVEL AND MEALS | 0.00 | 0.00 | 0.00 | 0.00% | 3,651.63 | 0.00 | -3,651.63 | 0.00% |
| 905-123-6333 | DUES AND SUBSCRIPTIONS | 426.26 | 0.00 | -426.26 | 0.00% | 2,700.00 | 0.00 | -2,700.00 | 0.00% |
| 905-123-6337 | TRAINING | 700.00 | 0.00 | -700.00 | 0.00% | 2,050.00 | 0.00 | -2,050.00 | 0.00% |
| 905-123-6372 | MARKETING | 3,600.00 | 0.00 | -3,600.00 | 0.00% | 87,494.30 | 0.00 | -87,494.30 | 0.00% |
| 905-123-6373 | ECONOMIC IMPACT MODEL LICENSE | 0.00 | 0.00 | 0.00 | 0.00% | 4,984.00 | 0.00 | -4,984.00 | 0.00% |
| 905-123-6374 | EVENT SPONSORSHIPS | 762.50 | 0.00 | -762.50 | 0.00% | 5,362.50 | 0.00 | -5,362.50 | 0.00% |
| 905-123-6375 | WEBSITE & GIS | 2,140.00 | 0.00 | -2,140.00 | 0.00% | 15,750.00 | 0.00 | -15,750.00 | 0.00% |
| 905-123-6376 | PROFESSIONAL SERVICES | 18,864.44 | 0.00 | -18,864.44 | 0.00% | 93,892.28 | 0.00 | -93,892.28 | 0.00% |
| 905-123-6378 | MISCELLANEOUS | 318.77 | 0.00 | -318.77 | 0.00% | 1,527.64 | 0.00 | -1,527.64 | 0.00% |
| 905-123-6380 | BUSINESS IMPROVEMENT GRANTS - | 375.37 | 0.00 | -375.37 | 0.00% | 375.37 | 0.00 | -375.37 | 0.00% |
| 905-123-6381 | BUSINESS IMPROVEMENT GRANTS - | 18,971.36 | 0.00 | -18,971.36 | 0.00% | 49,721.95 | 0.00 | -49,721.95 | 0.00% |
| 905-123-6383 | OLD TOWN FACADE GRANTS - PY | 0.00 | 0.00 | 0.00 | 0.00% | 40,000.00 | 0.00 | -40,000.00 | 0.00% |
| 905-123-6384 | OLD TOWN PROJECTS | 0.00 | 0.00 | 0.00 | 0.00% | 5,126.01 | 0.00 | -5,126.01 | 0.00% |
| 905-123-6387 | SOUTH LIVE OAK REDEVELOPMENT | 38,970.50 | 0.00 | -38,970.50 | 0.00% | 38,970.50 | 0.00 | -38,970.50 | 0.00% |
| 905-123-6388 | BUSINESS PARK EXPENSES | 0.00 | 0.00 | 0.00 | 0.00% | 5,091.58 | 0.00 | -5,091.58 | 0.00% |
| 905-123-6390 | FIRST BAPTIST CHURCH EXPENSES | 17,671.93 | 0.00 | -17,671.93 | 0.00% | 14,905.49 | 0.00 | -14,905.49 | 0.00% |
| 905-123-6391 | SUMMER YOUTH EMPLOYMENT PRO | 0.00 | 0.00 | 0.00 | 0.00% | 17,643.90 | 0.00 | -17,643.90 | 0.00% |
| 905-123-6394 | TOMBALL LEGACY SQUARE | 26,188.82 | 0.00 | -26,188.82 | 0.00% | 170,947.58 | 0.00 | -170,947.58 | 0.00% |
| 905-123-6395 | PROJECTS GRANTS | 145,500.00 | 0.00 | -145,500.00 | 0.00% | 145,500.00 | 0.00 | -145,500.00 | 0.00% |
| Category 63 - SERVICES AND CHARGES Total: | | 295,440.62 | 0.00 | -295,440.62 | 0.00% | 741,923.09 | 0.00 | -741,923.09 | 0.00% |
| Expense Total: | | 364,023.95 | 0.00 | -364,023.95 | 0.00% | 898,201.12 | 0.00 | -898,201.12 | 0.00% |
| Fund 905 Surplus (Deficit): | | 1,508,922.11 | 0.00 | 1,508,922.11 | 0.00% | 1,156,145.10 | 0.00 | 1,156,145.10 | 0.00% |
| Total Surplus (Deficit): | | 1,508,922.11 | 0.00 | 1,508,922.11 | 0.00% | 1,156,145.10 | 0.00 | 1,156,145.10 | 0.00% |

Prior-Year Comparative Income Statement

For the Period Ending 12/31

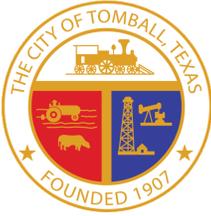
Item 5.

Group Summary

| Category | 2025-2026 Dec. Activity | 2024-2025 Dec. Activity | Dec. Variance Favorable / (Unfavorable) | Variance % | 2025-2026 YTD Activity | 2024-2025 YTD Activity | YTD Variance Favorable / (Unfavorable) | Variance % |
|--|----------------------------|----------------------------|---|--------------|---------------------------|---------------------------|--|--------------|
| Fund: 905 - TOMBALL ECONOMIC DEVELOPMENT COPR | | | | | | | | |
| Revenue | | | | | | | | |
| 51 - TAXES | 1,699,689.62 | 0.00 | 1,699,689.62 | 0.00% | 1,699,689.62 | 0.00 | 1,699,689.62 | 0.00% |
| 55 - MISCELLANEOUS | 84,920.22 | 0.00 | 84,920.22 | 0.00% | 84,920.22 | 0.00 | 84,920.22 | 0.00% |
| 58 - INTEREST | 88,336.22 | 0.00 | 88,336.22 | 0.00% | 269,736.38 | 0.00 | 269,736.38 | 0.00% |
| Revenue Total: | 1,872,946.06 | 0.00 | 1,872,946.06 | 0.00% | 2,054,346.22 | 0.00 | 2,054,346.22 | 0.00% |
| Expense | | | | | | | | |
| 60 - PERSONNEL SERVICES | 67,245.06 | 0.00 | -67,245.06 | 0.00% | 151,637.36 | 0.00 | -151,637.36 | 0.00% |
| 61 - SUPPLIES | 737.17 | 0.00 | -737.17 | 0.00% | 3,509.22 | 0.00 | -3,509.22 | 0.00% |
| 62 - REPAIRS AND MAINTENANCE | 601.10 | 0.00 | -601.10 | 0.00% | 1,131.45 | 0.00 | -1,131.45 | 0.00% |
| 63 - SERVICES AND CHARGES | 295,440.62 | 0.00 | -295,440.62 | 0.00% | 741,923.09 | 0.00 | -741,923.09 | 0.00% |
| Expense Total: | 364,023.95 | 0.00 | -364,023.95 | 0.00% | 898,201.12 | 0.00 | -898,201.12 | 0.00% |
| Fund 905 Surplus (Deficit): | 1,508,922.11 | 0.00 | 1,508,922.11 | 0.00% | 1,156,145.10 | 0.00 | 1,156,145.10 | 0.00% |
| Total Surplus (Deficit): | 1,508,922.11 | 0.00 | 1,508,922.11 | 0.00% | 1,156,145.10 | 0.00 | 1,156,145.10 | 0.00% |

Fund Summary

| Fund | 2025-2026 | 2024-2025 | Dec. Variance | | 2025-2026 | 2024-2025 | YTD Variance | |
|---------------------------------|---------------------|---------------|------------------------------|--------------|---------------------|--------------|------------------------------|--------------|
| | Dec. Activity | Dec. Activity | Favorable / (Unfavorable) | Variance % | YTD Activity | YTD Activity | Favorable / (Unfavorable) | Variance % |
| 905 - TOMBALL ECONOMIC | 1,508,922.11 | 0.00 | 1,508,922.11 | 0.00% | 1,156,145.10 | 0.00 | 1,156,145.10 | 0.00% |
| Total Surplus (Deficit): | 1,508,922.11 | 0.00 | 1,508,922.11 | 0.00% | 1,156,145.10 | 0.00 | 1,156,145.10 | 0.00% |



Tomball, TX

Item 5.

Balance Sheet

Account Summary

As Of 12/31/2025

| Account | Name | Current Year Balance | Prior Year Balance | Variance Favorable / (Unfavorable) |
|--|-------------------------------------|-------------------------|-----------------------|--|
| Fund: 905 - TOMBALL ECONOMIC DEVELOPMENT COPR | | | | |
| Assets | | | | |
| 905-1012 | Claim on Cash - General | -118,670.37 | 0.00 | -118,670.37 |
| 905-1018 | TEDC - WF BANK ACCOUNT | 128,451.32 | 0.00 | 128,451.32 |
| 905-1022 | INVESTMENT SECURITIES | 0.00 | 0.00 | 0.00 |
| 905-1025 | TEDC - TEXAS CLASS | 1,152,934.24 | 0.00 | 1,152,934.24 |
| 905-1027 | TEDC - TEXPOOL | 26,130,004.15 | 0.00 | 26,130,004.15 |
| 905-1029 | PROPERTY DEPOSIT | 500.00 | 0.00 | 500.00 |
| 905-1102 | LEASE RECEIVABLE | 484,554.00 | 0.00 | 484,554.00 |
| 905-1103 | ACCOUNTS RECEIVABLE - OTHER | 1,110,235.79 | 0.00 | 1,110,235.79 |
| 905-1108 | LEASE INTEREST RECEIVABLE | 2,417.00 | 0.00 | 2,417.00 |
| 905-1109 | ACCOUNTS RECEIVABLE | 1,178,513.84 | 0.00 | 1,178,513.84 |
| 905-1211 | LEASING COMMISSIONS | 16,401.51 | 0.00 | 16,401.51 |
| 905-1426 | LAND | 6,206,227.67 | 0.00 | 6,206,227.67 |
| 905-1435 | RIGHT TO USE LEASE - BLDG/IMPRV | 0.00 | 0.00 | 0.00 |
| 905-1445 | BUILDING IMPROVEMENTS | 8,455,354.69 | 0.00 | 8,455,354.69 |
| 905-1521 | RIGHT TO USE LEASE - ACCUM DEPR | 0.00 | 0.00 | 0.00 |
| 905-1522 | BUILDING & IMPROVEMENTS - ACCUM DI | -1,689,611.05 | 0.00 | -1,689,611.05 |
| | Total Assets: | 43,057,312.79 | 0.00 | 43,057,312.79 |
| Liability | | | | |
| 905-2000 | ACCOUNTS PAYABLE | 256,957.16 | 0.00 | -256,957.16 |
| 905-2004 | LEASE LIABILITY | -1.00 | 0.00 | 1.00 |
| 905-2005 | MANUAL ACCOUNTS PAYABLE | 14,640.56 | 0.00 | -14,640.56 |
| 905-2100 | FEDERAL INCOME TAX PAYABLE | 0.00 | 0.00 | 0.00 |
| 905-2102 | FICA/SS TAX PAYABLE-EMPLOYEE | 0.00 | 0.00 | 0.00 |
| 905-2104 | FICA/MED TAX PAYABLE-EMPLOYEE | 0.00 | 0.00 | 0.00 |
| 905-2110 | TMRS PAYABLE-EMPLOYEE | 0.00 | 0.00 | 0.00 |
| 905-2112 | ICMA PAYABLE-EMPLOYEE | 0.00 | 0.00 | 0.00 |
| 905-2114 | ROTH IRA-ICMA EMPLOYEE | 0.00 | 0.00 | 0.00 |
| 905-2117 | SUPPLEMENTAL LIFE INSURANCE | 455.87 | 0.00 | -455.87 |
| 905-2118 | 125-FLEXIBLE HEALTH CARE CONTR | 530.57 | 0.00 | -530.57 |
| 905-2119 | 125-FLEXIBLE DEPENDENT CARE | 0.00 | 0.00 | 0.00 |
| 905-2120 | HEALTH INSURANCE PAYABLE | 2,764.94 | 0.00 | -2,764.94 |
| 905-2121 | DENTAL INSURANCE PAYABLE | 189.64 | 0.00 | -189.64 |
| 905-2122 | ACCIDENT INSURANCE PAYABLE | 244.88 | 0.00 | -244.88 |
| 905-2125 | HSA- EMPLOYEE CONTRIBUTION | 0.00 | 0.00 | 0.00 |
| 905-2127 | SHORT-TERM DISABILITY INSURANCE PAY | 185.69 | 0.00 | -185.69 |
| 905-2128 | LEGAL INSURANCE PAYABLE | 0.00 | 0.00 | 0.00 |
| 905-2129 | NORTON LIFELOCK PAYABLE | 28.28 | 0.00 | -28.28 |
| 905-2209 | DEFERRED INFLOWS - LEASES | 446,678.00 | 0.00 | -446,678.00 |
| 905-2310 | DEFERRED INCOME | 0.00 | 0.00 | 0.00 |
| 905-2356 | REFUNDABLE DEPOSIT | 10,869.00 | 0.00 | -10,869.00 |
| | Total Liability: | 733,543.59 | 0.00 | -733,543.59 |
| Equity | | | | |
| 905-3001 | RETAINED EARNINGS | 0.00 | 0.00 | 0.00 |
| 905-3002 | PROPERTY RESERVES | 0.00 | 0.00 | 0.00 |
| 905-3900 | FUND BALANCE | 33,296,556.00 | 0.00 | 33,296,556.00 |
| 905-3902 | FUND BALANCE - BOARD APPROVED GRA | 7,871,068.10 | 0.00 | 7,871,068.10 |
| | Total Beginning Equity: | 41,167,624.10 | 0.00 | 41,167,624.10 |

Balance Sheet

As Of 12/31 Item 5.

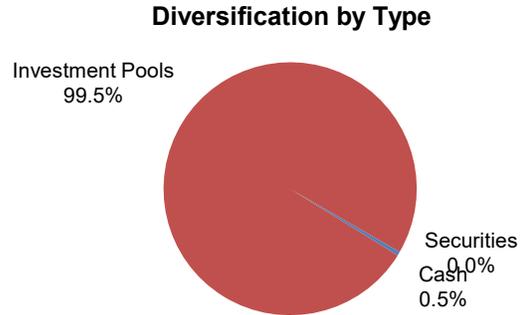
| Account | Name | Current Year Balance | Prior Year Balance | Variance Favorable / (Unfavorable) |
|---------------------------------------|---|-------------------------|-----------------------|--|
| Total Revenue | | 2,054,346.22 | 0.00 | 2,054,346.22 |
| Total Expense | | 898,201.12 | 0.00 | -898,201.12 |
| Revenues Over/(Under) Expenses | | 1,156,145.10 | 0.00 | 1,156,145.10 |
| | Total Equity and Current Surplus (Deficit): | 42,323,769.20 | 0.00 | 42,323,769.20 |
| | Total Liabilities, Equity and Current Surplus (Deficit): | 43,057,312.79 | 0.00 | 43,057,312.79 |

TOMBALL ECONOMIC DEVELOPMENT CORPORATION
ACTIVE PROJECT GRANTS (BOARD APPROVED GRANTS)
AS OF DECEMBER 31, 2025

| GRANTEE | APPROVED | | ADDITIONS/DELETIONS | | PAID | | REMAINING AMOUNT |
|---|------------|------------------------|---------------------|----------------------|------------|----------------------|------------------------|
| | DATE | AMOUNT | EXPIRATION DATE | DATE | AMOUNT | AMOUNT | |
| Dancing Falls Development, LLC | 11/14/2017 | 50,925.00 | | | 1/14/2020 | 15,277.50 | |
| | | | | | 3/5/2021 | 5,092.50 | |
| | | | | | 9/1/2021 | 12,731.25 | |
| | | | | | 3/22/2022 | 5,092.50 | 12,731.25 |
| ARC Management, LLC | 5/15/2018 | 186,700.00 | | | 12/14/2022 | 105,646.82 | 81,053.18 |
| The Hutson Group | 1/12/2021 | 48,800.00 | 3/9/2023 | | 2/28/2023 | 23,664.00 | 25,136.00 |
| GK Hospitality Development, LLC | 11/9/2021 | 105,100.00 | 7/16/2026 | | | | 105,100.00 |
| Hufsmith-Kohrville Business Park, LLC | 1/10/2023 | 122,722.00 | | | 5/20/2025 | 43,249.41 | 79,472.59 |
| Church Holdings, Inc. | 1/10/2023 | 426,639.00 | | | | | 426,639.00 |
| First Community Credit Union | 11/14/2023 | 64,721.00 | 7/18/2025 | | | | 64,721.00 |
| IC Star Solar (USA), LLC | 11/14/2023 | 522,000.00 | 1/18/2029 | | | | 522,000.00 |
| Headquarters TOO, LLC | 11/14/2023 | 102,459.00 | 7/18/2025 | | | | 102,459.00 |
| Billiard Factory, Inc. | 1/23/2024 | 95,909.00 | 3/19/2027 | | 5/14/2024 | 64,738.58 | 31,170.42 |
| LOMA Health and Wellness, PLLC | 1/23/2024 | 8,880.00 | 3/19/2025 | -80.00 | 1/24/2025 | 8,800.00 | - |
| WR Transformers, Inc. | 3/5/2024 | 12,072.00 | 5/24/2026 | | | | 12,072.00 |
| Keep It Simple and Pink, LLC | 5/14/2024 | 10,000.00 | 7/9/2025 | | | | 10,000.00 |
| TCG Capital, LLC | 5/14/2024 | 26,750.00 | 1/9/2026 | -4,250.00 | 5/13/2025 | 22,500.00 | - |
| RSC Riverside Construction, LLC | 8/13/2024 | 101,870.00 | | | | | 101,870.00 |
| Red Grip, LLC | 8/13/2024 | 15,195.00 | 4/8/2026 | | | | 15,195.00 |
| Metal Zinc Manufacturing, LLC | 8/13/2024 | 80,000.00 | 10/8/2026 | | | | 80,000.00 |
| Walsh Alliance, LLC dba Walsh & Albert Company, Ltd | 8/13/2024 | 165,000.00 | 10/8/2026 | | | | 165,000.00 |
| Kara Miles Hair (KMH Studio), LLC | 9/10/2024 | 10,000.00 | 11/5/2025 | | | | 10,000.00 |
| NIVIS Series, LLC | 11/12/2024 | 34,170.00 | 7/7/2026 | | | | 34,170.00 |
| Niky's Mini Donuts, LLC | 11/12/2024 | 10,000.00 | 7/7/2026 | | | | 10,000.00 |
| Longhorn Realty Investments, LLC | 3/4/2025 | 91,835.00 | 10/29/2026 | | | | 91,835.00 |
| Theis Lane & South Cherry Street, LLC | 3/4/2025 | 83,615.00 | | | | | 83,615.00 |
| Material Design Solutions, LLC | 3/4/2025 | 85,902.00 | 4/29/2027 | | | | 85,902.00 |
| Houston Poly Bag I, Ltd. | 3/4/2025 | 48,601.00 | 10/29/2026 | | | | 48,601.00 |
| City of Tomball - Main Street Utility Relocations | 3/4/2025 | 1,000,000.00 | 4/29/2030 | | | | 1,000,000.00 |
| Upsizing of Trees | 3/4/2025 | \$1,500,000.00 | | | | | \$1,500,000.00 |
| Roll Out, LLC | 5/13/2025 | 10,000.00 | 1/8/2027 | | | | \$10,000.00 |
| Coaches Cigar Lounge, LLC | 5/13/2025 | 10,000.00 | 1/8/2027 | | | | \$10,000.00 |
| Layla's Barkery, LLC | 5/13/2025 | 9,000.00 | 1/8/2027 | | | | \$9,000.00 |
| Pegasus Properties 2, LLC | 5/13/2025 | 260,639.00 | | | | | \$260,639.00 |
| Klauer Manufacturing Company | 7/8/2025 | 10,000.00 | 3/1/2027 | | | | \$10,000.00 |
| Innersculpt Studio, LLC | 7/8/2025 | 10,000.00 | 3/1/2027 | | | | \$10,000.00 |
| Muddy's Buddys Daycare, LLC | 8/19/2025 | 10,000.00 | 4/14/2027 | | | | \$10,000.00 |
| LeMaster Law Firm, PLLC | 8/19/2025 | 10,000.00 | 4/14/2027 | | | | \$10,000.00 |
| HOTWORX - Tomball, LLC | 8/19/2025 | 10,000.00 | 4/14/2027 | | | | \$10,000.00 |
| Lunsford Enterprises, LLC | 8/19/2025 | 10,000.00 | 4/14/2027 | | | | \$10,000.00 |
| Yuna Holdings, LLC | 8/19/2025 | 174,061.00 | 4/14/2027 | | | | \$174,061.00 |
| Everwood Reserve Properties, LLC | 8/19/2025 | 54,102.00 | 4/14/2027 | | | | \$54,102.00 |
| Republic Business Park, LP | 8/19/2025 | 227,152.00 | | | | | \$227,152.00 |
| Cheddars Casual Café, Inc. | 9/23/2025 | 164,463.00 | 11/17/2027 | | | | \$164,463.00 |
| Olive Garden Holdings, LLC | 9/23/2025 | 219,502.00 | 11/17/2027 | | | | \$219,502.00 |
| CSE W-Industries, Inc. | 9/23/2025 | 660,000.00 | | | | | \$660,000.00 |
| Maria Jordan MD PA | 11/18/2025 | 8,577.00 | 7/25/2027 | | | | \$8,577.00 |
| CKM Property Management | 11/18/2025 | 7,299.00 | 7/25/2027 | | | | \$7,299.00 |
| Hoelscher Weatherstrip Manufacturing Co., Ltd. | 11/18/2025 | 30,000.00 | 1/25/2028 | | | | \$30,000.00 |
| Murchison Spice Company | 11/18/2025 | 10,000.00 | 1/25/2027 | | | | \$10,000.00 |
| Tara Builders, LLC | 11/18/2025 | 61,336.00 | 7/25/2027 | | | | \$61,336.00 |
| Cast Concrete Construction, LLC | 12/4/2025 | 10,000.00 | 6/4/2027 | | | | \$10,000.00 |
| Total | | <u>\$ 6,985,996.00</u> | | <u>\$ (4,330.00)</u> | | <u>\$ 306,792.56</u> | <u>\$ 6,674,873.44</u> |

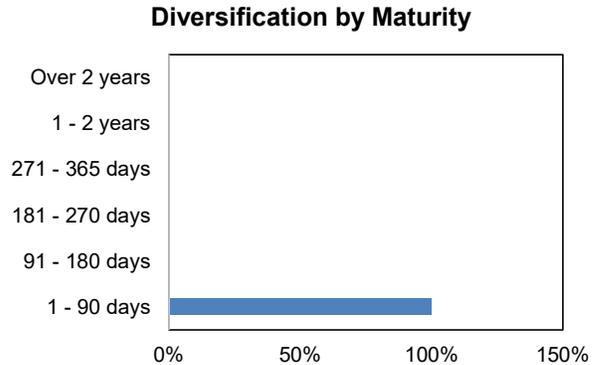
TOMBALL ECONOMIC DEVELOPMENT CORPORATION QUARTERLY INVESTMENT REPORT December 31, 2025

| | Market Value | | Change |
|------------------------|----------------------|----------------------|---------------------|
| | 9/30/2025 | 12/31/2025 | |
| Cash | \$ 175,706 | \$ 128,451 | \$ (47,255) |
| Investment Pools | 26,198,448 | 27,282,938 | 1,084,490 |
| Securities | - | - | - |
| Total Portfolio | \$ 26,374,154 | \$ 27,411,390 | \$ 1,037,236 |



Safety of principal is the first priority of any Public investing portfolio. The Tomball Economic Development Corporation invests in securities of federal, state and local governments, and investment pools. These investments are in securities with a rating of A-1/P-1 or higher and pools with Standard & Poor's highest rating of AAAm.

| | Current Market Value | Percent Portfolio |
|------------------------|-------------------------|----------------------|
| 1 - 90 days | \$ 27,411,390 | 100% |
| 91 - 180 days | - | 0% |
| 181 - 270 days | - | 0% |
| 271 - 365 days | - | 0% |
| 1 - 2 years | - | 0% |
| Over 2 years | - | 0% |
| Total Portfolio | \$ 27,411,390 | |



Ensuring adequate liquidity is available to cover all expenditures is the second priority of any public investing program. The Tomball Economic Development Corporation staff forecasts cash flow and matches the maturity of investments with future cash needs. A portion of funds are kept in overnight investments as a buffer for any unexpected expenditures. These overnight investments (TexPool, Texas CLASS) have been performing according to market in terms of yield as well as providing liquidity.

This report is in compliance with the investment strategies as approved and the Public Funds Investment Act.

Bragg Farmer

Bragg Farmer
Finance Director

**TOMBALL ECONOMIC DEVELOPMENT CORPORATION
 INVESTMENTS IN SECURITIES
 12/31/2025**

| SECURITY DESCRIPTION | CUSIP NUMBER | MATURITY DATE | COUPON YIELD | PAR VALUE | MARKET VALUE | DAYS AFTER 12/31/25 | INDIVIDUAL MARKET VALUE/TOTAL | WAM DAYS x PERCENT | Callable |
|----------------------|-----------------|------------------|-----------------|----------------|-----------------|---------------------------|-------------------------------------|--------------------------|----------|
| | | | | | | | | | |
| TOTAL | | | | #DIV/0! | \$ - | \$ - | #DIV/0! | 0.00% | 0 |

**TOMBALL ECONOMIC DEVELOPMENT CORPORATION
CASH AND CASH EQUIVALENTS**

December 31, 2025

| FUNDS | CASH AND CASH EQUIVALENTS | | | INVESTMENTS | | |
|--------------------|----------------------------------|----------------------|---------------------------|--|--------------------------|---|
| MAJOR FUNDS | TEXAS CLASS | TEXPOOL | OPERATING ACCOUNTS | TOTAL CASH AND CASH EQUIVALENTS | TOTAL INVESTMENTS | TOTAL CASH, CASH EQUIVALENTS AND INVESTMENTS |
| General | \$ 1,152,934 | \$ 26,130,004 | \$ 128,451 | \$ 27,411,390 | \$ - | \$ 27,411,390 |
| TOTAL | \$ 1,152,934 | \$ 26,130,004 | \$ 128,451 | \$ 27,411,390 | \$ - | \$ 27,411,390 |

Business Improvement Grant Program

| Fiscal 2025-2026 | Project Amount | | TEDC Grant | Date Approved | Date Funded | Amount Funded | \$350,000.00 |
|---|-----------------------|-------------|-------------------|----------------------|--------------------|----------------------|---------------------|
| Lonestar Development | \$66,682.00 | Property | \$10,000.00 | 10/7/2025 | | | \$340,000.00 |
| Material & Design Services | \$335,500.00 | Property | \$10,000.00 | 10/7/2025 | | | \$330,000.00 |
| Material & Design Services | \$35,000.00 | Landscape | \$10,000.00 | 10/7/2025 | | | \$320,000.00 |
| Lunsford Enterprises, LLC | \$2,500.00 | Property | \$1,250.00 | 10/20/2025 | 2/9/2026 | \$1,250.00 | \$318,750.00 |
| Hoelscher Properties, LLC | \$158,030.00 | Façade | \$10,000.00 | 11/4/2025 | | | \$308,750.00 |
| Coats Orthodontics | \$3,834.00 | Landscape | \$1,917.00 | 11/4/2025 | 2/5/2026 | \$1,917.00 | \$306,833.00 |
| Coaches Cigar Lounge | \$10,060.05 | Property | \$5,030.02 | 11/12/2025 | | | \$301,802.98 |
| Murchison Spice Company | \$30,048.70 | Property | \$10,000.00 | 11/12/2025 | | | \$291,802.98 |
| Murchison Spice Company | \$7,706.86 | Façade | \$3,853.43 | 11/18/2025 | | | \$287,949.55 |
| Tomball ER Center dba Family First ER | \$117,550.00 | Façade | \$10,000.00 | 11/18/2025 | | | \$277,949.55 |
| CKM Property Management - Amended 2/17/2026 | \$5,290.33 | Signage | \$2,500.00 | 11/18/2025 | | | \$275,449.55 |
| Paradigm Brewing Company | \$750.75 | Property | \$375.37 | 11/18/2025 | 1/5/2026 | \$375.37 | \$275,074.18 |
| Cast Concrete Construction, LLC | \$14,592.00 | Landscaping | \$7,296.00 | 12/4/2025 | | | \$267,778.18 |
| Murchison Spice Company | \$25,474.31 | Signage | \$2,500.00 | 12/4/2025 | | | \$265,278.18 |
| First Community Credit Union | \$18,170.36 | Property | \$9,085.18 | 12/4/2025 | | | \$256,193.00 |
| THIScar | \$181,530.00 | Property | \$10,000.00 | 12/4/2025 | | | \$246,193.00 |
| Theis Lane & South Cherry Street, LLC | \$81,303.30 | Landscaping | \$10,000.00 | 12/16/2025 | | | \$236,193.00 |
| Theis Lane & South Cherry Street, LLC | \$24,550.17 | Signage | \$1,000.00 | 12/16/2025 | | | \$235,193.00 |
| E&N Services, LLC DBA PostNet | \$3,464.00 | Signage | \$1,732.00 | 12/16/2025 | 2/5/2026 | \$1,732.00 | \$233,461.00 |
| Hoelscher Properties, LLC | \$56,342.24 | Property | \$10,000.00 | 12/18/2025 | | | \$223,461.00 |
| Cuper Properties, LLC | \$40,352.51 | Façade | \$10,000.00 | 1/20/2026 | | | \$213,461.00 |
| Peace Love Autism, LLC | \$7,700.00 | Landscaping | \$3,850.00 | 2/17/2026 | | | \$209,611.00 |
| Peace Love Autism, LLC | \$1,680.00 | Property | \$840.00 | 2/17/2026 | | | \$208,771.00 |
| Peace Love Autism, LLC | \$6,710.00 | Façade | \$3,355.00 | 2/17/2026 | | | \$205,416.00 |
| Tomball ER Center dba Family First ER | \$22,085.00 | Landscaping | \$10,000.00 | 2/17/2026 | | | \$195,416.00 |

Old Town Façade Improvement Grant Program

| Fiscal 2025-2026 | Project Amount | Score | TEDC Grant | BR&E Conditional Approval | Date Final Approved | Date Funded | Amount Funded | \$250,000.00 |
|-----------------------------|-----------------------|--------------|-------------------|--------------------------------------|----------------------------|--------------------|----------------------|---------------------|
| Tomball Group, LLC | \$227,398.06 | 52 | \$50,000.00 | | 11/18/2025 | | \$200,000.00 | |
| Tomball Social Haus | \$53,015.00 | 45 | \$26,507.50 | | 1/6/2026 | | \$173,492.50 | |
| Tejas Dragon Companies, LLC | \$107,571.00 | 30 | \$40,000.00 | | 2/3/2026 | | \$133,492.50 | |

Regular Tomball EDC Agenda Item Data Sheet

Meeting Date: March 3, 2026

Topic:

Consideration and possible action by Tomball EDC, to approve, as a Project of the Corporation, an agreement with SMS Precision Tech, LLC to make direct incentives to, or expenditures for, the creation or retention of primary jobs associated with the construction and development of a corporate headquarters facility, located at 28002 and 28010 Johnson Road, Tomball, Texas 77375. The estimated amount of expenditures for such Project is \$70,500.00.

- Public Hearing

Background:

SMS Precision Tech, LLC has been in business since 2011 and is a precision manufacturing company specializing in high tolerance machining and component production for the oil and gas industry. They focus on directional drilling and Measurement While Drillings (MWD) applications.

SMS Precision Tech is currently leasing a facility located at 22955 State Highway, 249, Suite 37, Tomball, Texas 77375 and has outgrown their space. They will be relocating their corporate headquarters and manufacturing facility into a 19,980 square-foot office/warehouse space that is currently being developed at 28002 and 28010 Johnson Road, Tomball, Texas 77375. The company will create 47 new jobs to Tomball.

The estimated capital investment of this project is approximately \$2 Million.

An economic impact analysis is included with the agreement to show the impact of this project on Tomball’s economy. Per the analysis, the 5-year net benefit of this project on the City of Tomball is \$864,050.00. The proposed incentive is \$70,500.00, based upon \$1,500.00 per job created.

Origination: Todd Griffin, President, SMS Precision Tech, LLC

Recommendation: Staff recommends approval of the proposed Performance Agreement with SMS Precision Tech, LLC.

Party(ies) responsible for placing this item on agenda: Kelly Violette

FUNDING (IF APPLICABLE)

Are funds specifically designated in the current budget for the full amount required for this purpose?

Yes: X No: _____ If yes, specify Account Number: # Project Grants

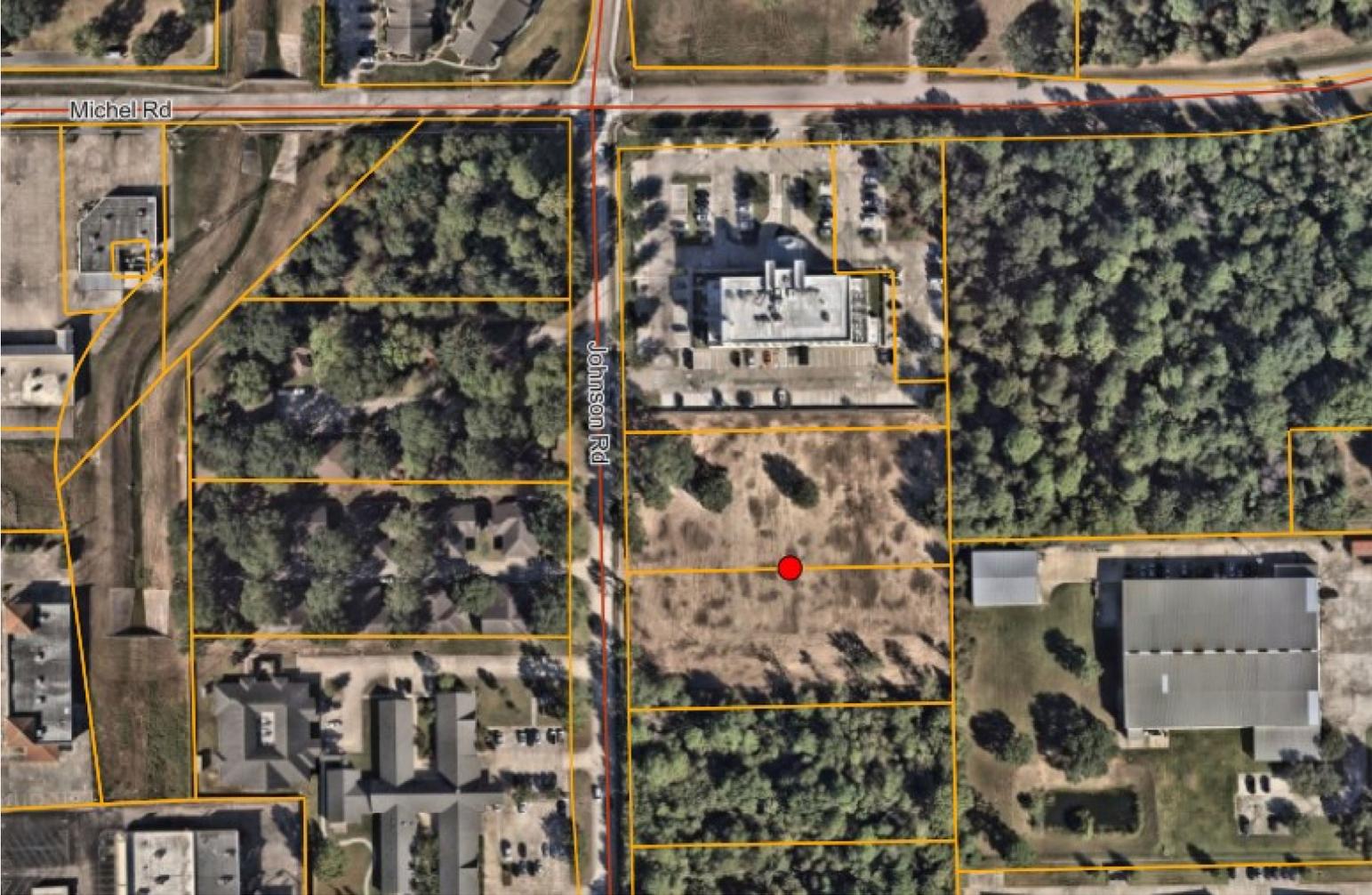
If no, funds will be transferred from account # _____ To account # _____

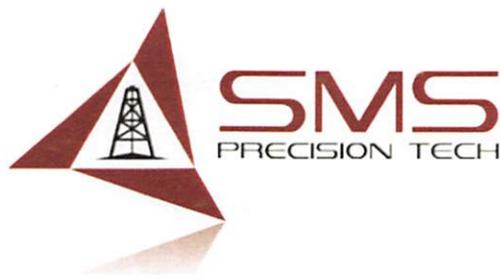
Signed _____

Approved by _____

Staff Member-TEDC Date

Executive Director-TEDC Date





February 19th, 2026

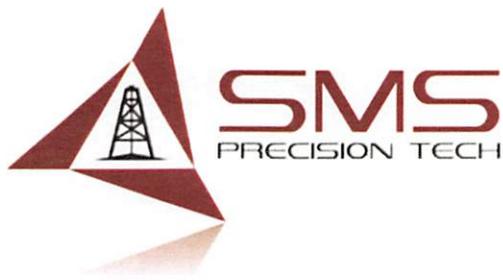
Dear TEDC Board of Directors,

On behalf of SMS Precision Tech, we respectfully submit this request for grant consideration in support of the development of our new 19,980-square-foot facility in downtown Tomball. This project represents a significant investment in the City of Tomball and reflects our long-term commitment to continued growth within the community we proudly serve.

- Todd Griffin – With over 14 years of industry experience, Todd Griffin has distinguished himself as an innovative leader in precision manufacturing, guiding SMS Precision Tech with technical expertise, forward-thinking vision, and a steadfast commitment to advancing high-performance materials for today's demanding downhole environments.
- Matt Pond - Matt Pond is a seasoned executive whose nearly two decades of industry expertise and entrepreneurial vision make him a driving force in business growth and innovation

SMS Precision Tech is a precision manufacturing company specializing in high-tolerance machining and component production for the oil and gas industry, particularly in directional drilling and Measurement While Drilling (MWD) applications. We currently do 13-15 million in sales annually, and we employ 47 full-time team members whose skills and experience support energy operations both regionally and nationally. As our production volume and client base continue to expand, the need for a larger, purpose-built facility has become essential to maintaining operational efficiency and accommodating future growth.

Our business model centers on delivering American-made, high-quality precision components while maintaining strong operational standards and investing in advanced machining technology. We believe that long-term success is built on consistency, reliability, and the cultivation of a skilled workforce. The development of this new facility will allow us to enhance workflow, expand production capacity, and create an environment designed for sustainable expansion and job stability.



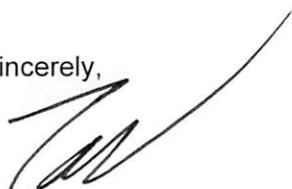
Beyond the operational benefits to our company, this project will have a meaningful and measurable impact on the Tomball economy. With 47 employees working onsite daily, the surrounding downtown businesses will benefit from increased and consistent commercial activity. Our team members regularly patronize local restaurants, purchase fuel from nearby stations, shop in local retail establishments, and utilize professional services within the community. As employees continue to reside in or relocate to the area, they contribute to residential growth, increased housing demand, and the strengthening of the local tax base.

The construction and ongoing operation of a nearly 20,000-square-foot industrial facility will also generate economic opportunities for local contractors, trades, suppliers, and service providers. From site preparation and building construction to long-term maintenance and operational support, the ripple effect of this investment extends well beyond our company's walls.

Based on regional growth trends and continued development within the northwest corridor of the Houston metropolitan area, we believe Tomball is well-positioned for sustained economic expansion. Our decision to build in downtown Tomball reflects our confidence in the city's infrastructure, leadership, and pro-business environment. This facility is not a short-term venture, but a long-term commitment to growing responsibly while contributing to the economic vitality of the community.

We appreciate your consideration of our request and welcome any questions you may have regarding this development. Thank you for your time and for your continued support of businesses investing in Tomball's future.

Sincerely,



Todd Griffin

SMS Precision - Impact Report

Scenario 1 with Client Data

Project Type: Recruitment

Industry: Manufacturing

Prepared By: Tomball EDC

Purpose & Limitations

This report presents the results of an economic and fiscal analysis undertaken by Tomball EDC using Impact DashBoard, a customized web application developed by Impact DataSource, LLC.

Impact DashBoard utilizes estimates, assumptions, and other information developed by Impact DataSource from its independent research effort detailed in a custom user guide prepared for Tomball EDC.

This report, generated by the Impact DashBoard application, has been prepared by Tomball EDC to assist economic development stakeholders in making an evaluation of the economic and fiscal impact of business activity in the community. This report does not purport to contain all of the information that may be needed to conclude such an evaluation. This report is based on a variety of assumptions and contains forward-looking statements concerning the results of operations of the subject firm. Tomball EDC made reasonable efforts to ensure that the project-specific data entered into Impact DashBoard reflects realistic estimates of future activity. Estimates of future activity involve known and unknown risks and uncertainties that could cause actual results, performance, or events to differ materially from those expressed or implied in this report.

Tomball EDC and Impact DataSource make no representation or warranty as to the accuracy or completeness of the information contained herein and expressly disclaims any and all liability arising from or related to the use of this report or any errors or omissions it may contain.

Introduction

This report presents the results of an economic impact analysis performed using Impact DashBoard, a model developed by Impact DataSource. The report estimates the impact that a potential project will have on the local economy and estimates the costs and benefits for local taxing districts over a 10-year period.

Economic Impact Overview

The table below summarizes the economic impact of the project over the first 10 years in terms of job creation, salaries paid to workers, and taxable sales.

| SUMMARY OF ECONOMIC IMPACT OVER 10 YEARS IN CITY OF TOMBALL | | | |
|---|--------------|-------------|---------------------|
| IMPACT | DIRECT | SPIN-OFF | TOTAL |
| Jobs | 47.0 | 41.2 | 88.2 |
| Annual Salaries/Wages at Full Ops (Yr 2) | \$3,451,680 | \$1,685,512 | \$5,137,192 |
| Salaries/Wages over 10 Years | \$17,466,472 | \$8,529,166 | \$25,995,638 |
| Taxable Sales/Purchases in City of Tomball | \$42,694,224 | \$106,615 | \$42,800,839 |

Totals may not sum due to rounding

The Project may result in new residents moving to the community and potentially new residential properties being constructed as summarized below.

| SUMMARY OF POPULATION IMPACT OVER 10 YEARS IN CITY OF TOMBALL | | | |
|---|--------|----------|------------|
| IMPACT | DIRECT | SPIN-OFF | TOTAL |
| Workers who will move to City of Tomball | 1.4 | 1.2 | 2.6 |
| New residents in City of Tomball | 3.7 | 3.2 | 6.9 |
| New residential properties constructed in City of Tomball | 0.2 | 0.2 | 0.4 |
| New students to attend local school district | 0.7 | 0.6 | 1.3 |

Totals may not sum due to rounding

The new taxable property to be supported by the Project over the next 10 years is summarized in the following table.

| SUMMARY OF TAXABLE PROPERTY OVER THE FIRST 10 YEARS IN CITY OF TOMBALL | | | | | | | |
|--|--------------------------|------|--------------|-------------|-------------|--------------------------|--------------------|
| YR. | NEW RESIDENTIAL PROPERTY | LAND | BUILDINGS... | FF&E | INVENTORIES | NON-RESIDENTIAL PROPERTY | TOTAL PROPERTY |
| 1 | \$116,480 | \$0 | \$300,000 | \$250,000 | \$1,400,000 | \$1,950,000 | \$2,066,480 |
| 2 | \$124,090 | \$0 | \$306,000 | \$575,000 | \$1,428,000 | \$2,309,000 | \$2,433,090 |
| 3 | \$126,572 | \$0 | \$312,120 | \$865,000 | \$1,456,560 | \$2,633,680 | \$2,760,252 |
| 4 | \$129,103 | \$0 | \$318,362 | \$1,120,000 | \$1,485,691 | \$2,924,054 | \$3,053,157 |
| 5 | \$131,685 | \$0 | \$324,730 | \$1,340,000 | \$1,515,405 | \$3,180,135 | \$3,311,820 |
| 6 | \$134,319 | \$0 | \$331,224 | \$1,175,000 | \$1,545,713 | \$3,051,937 | \$3,186,256 |
| 7 | \$137,005 | \$0 | \$337,849 | \$1,010,000 | \$1,576,627 | \$2,924,476 | \$3,061,481 |
| 8 | \$139,745 | \$0 | \$344,606 | \$845,000 | \$1,608,160 | \$2,797,766 | \$2,937,511 |
| 9 | \$142,540 | \$0 | \$351,498 | \$680,000 | \$1,640,323 | \$2,671,821 | \$2,814,361 |
| 10 | \$145,391 | \$0 | \$358,528 | \$540,000 | \$1,673,130 | \$2,571,657 | \$2,717,048 |

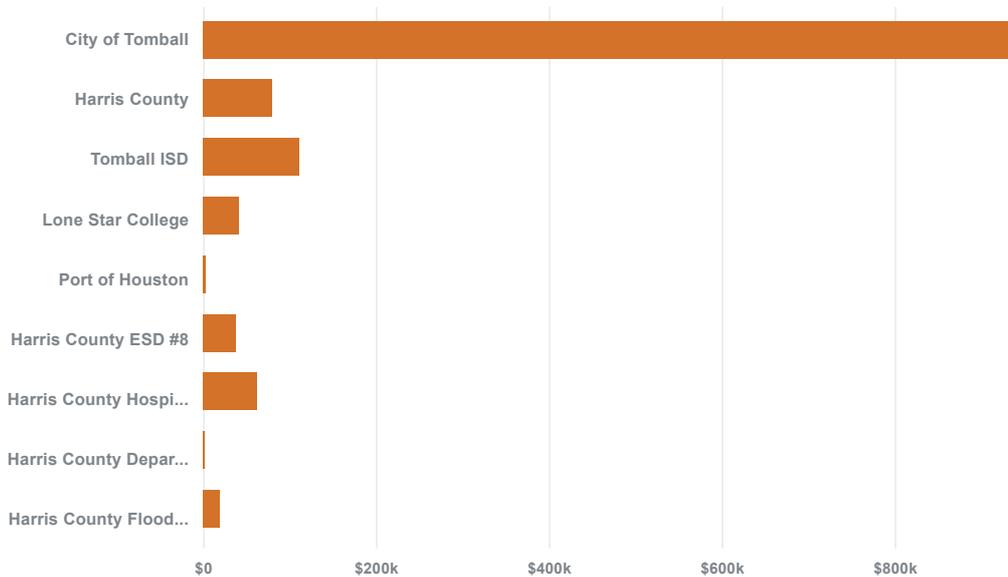
Fiscal Impact Overview

The Project will generate additional benefits and costs, a summary of which is provided below. The source of specific benefits and costs are provided in greater detail for each taxing district on subsequent pages.

| FISCAL NET BENEFITS OVER THE NEXT 10 YEARS | | | | |
|--|--------------------|--------------------|--------------------|--------------------|
| | BENEFITS | COSTS | NET BENEFITS | PRESENT VALUE* |
| City of Tomball | \$1,497,634 | (\$553,561) | \$944,074 | \$800,879 |
| Harris County | \$221,974 | (\$141,804) | \$80,171 | \$61,361 |
| Tomball ISD | \$303,735 | (\$193,144) | \$110,591 | \$84,636 |
| Lone Star College | \$41,158 | \$0 | \$41,158 | \$31,498 |
| Port of Houston | \$2,352 | \$0 | \$2,352 | \$1,800 |
| Harris County ESD #8 | \$37,392 | \$0 | \$37,392 | \$28,616 |
| Harris County Hospital District | \$62,532 | \$0 | \$62,532 | \$47,857 |
| Harris County Department of Education | \$1,836 | \$0 | \$1,836 | \$1,405 |
| Harris County Flood Control | \$18,731 | \$0 | \$18,731 | \$14,335 |
| Total | \$2,187,344 | (\$888,508) | \$1,298,836 | \$1,072,388 |

*The Present Value of Net Benefits expresses the future stream of net benefits received over several years as a single value in today's dollars. Today's dollar and a dollar to be received at differing times in the future are not comparable because of the time value of money. The time value of money is the interest rate or each taxing entity's discount rate. This analysis uses a discount rate of 5.0% to make the dollars comparable.

Net Benefits Over the Next 10 Years



Public Support Overview

A summary of the total Public Support modeled in this analysis is shown below.

| VALUE OF PUBLIC SUPPORT UNDER CONSIDERATION | | |
|---|-------------------|-----------------|
| | NON-TAX INCENTIVE | TOTAL |
| City of Tomball | \$70,500 | \$70,500 |
| Harris County | \$0 | \$0 |
| Tomball ISD | \$0 | \$0 |
| Lone Star College | \$0 | \$0 |
| Port of Houston | \$0 | \$0 |
| Harris County ESD #8 | \$0 | \$0 |
| Harris County Hospital District | \$0 | \$0 |
| Harris County Department of Education | \$0 | \$0 |
| Harris County Flood Control | \$0 | \$0 |
| Total | \$70,500 | \$70,500 |

City of Tomball Fiscal Impact

The table below displays the estimated additional benefits, costs, and net benefits to be received by City of Tomball over the next 10 years of the Project.

| NET BENEFITS OVER 10 YEARS: CITY OF TOMBALL | | | |
|---|--------------------|-------------------|--------------------|
| BENEFITS | PROJECT | HOUSEHOLDS | TOTAL |
| Sales Taxes | \$849,518 | \$6,499 | \$856,017 |
| Real Property Taxes | \$11,049 | \$0 | \$11,049 |
| FF&E Property Taxes | \$28,255 | \$0 | \$28,255 |
| Inventory Property Taxes | \$51,563 | \$0 | \$51,563 |
| New Residential Property Taxes | \$0 | \$4,463 | \$4,463 |
| Hotel Occupancy Taxes | \$228 | \$0 | \$228 |
| Building Permits and Fees | \$0 | \$0 | \$0 |
| Utility Revenue | \$303,481 | \$41,892 | \$345,373 |
| Utility Franchise Fees | \$17,430 | \$2,396 | \$19,826 |
| Miscellaneous Taxes and User Fees | \$158,917 | \$21,942 | \$180,860 |
| Benefits Subtotal | \$1,420,441 | \$77,193 | \$1,497,634 |
| COSTS | PROJECT | HOUSEHOLDS | TOTAL |
| Cost of Government Services | (\$152,253) | (\$20,961) | (\$173,214) |
| Cost of Utility Services | (\$334,239) | (\$46,108) | (\$380,347) |
| Costs Subtotal | (\$486,492) | (\$67,068) | (\$553,561) |
| Net Benefits | \$933,949 | \$10,125 | \$944,074 |

Annual Fiscal Net Benefits for City of Tomball



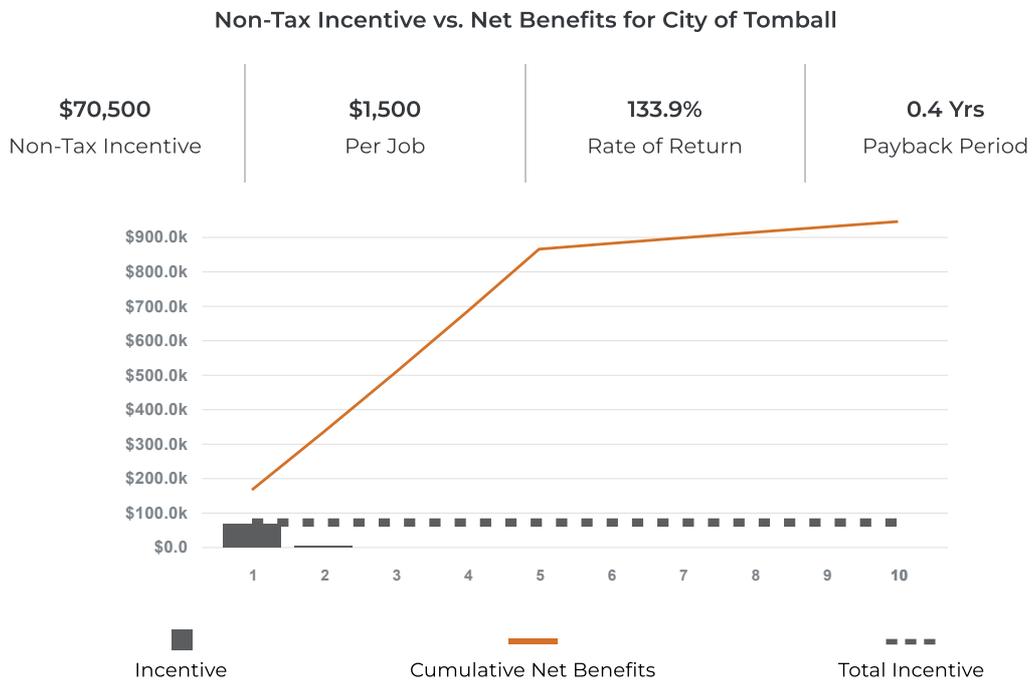
City of Tomball Public Support

Non-Tax Incentives

City of Tomball is considering the following non-tax incentives for the Project.

| NON-TAX INCENTIVES UNDER CONSIDERATION | |
|--|-------------------|
| YEAR | NON-TAX INCENTIVE |
| 1 | \$67,500 |
| 2 | \$3,000 |
| Total | \$70,500 |

The graph below depicts the non-tax incentives modeled in this analysis versus the cumulative net benefits to City of Tomball. The intersection indicates the length of time until the incentives are paid back.

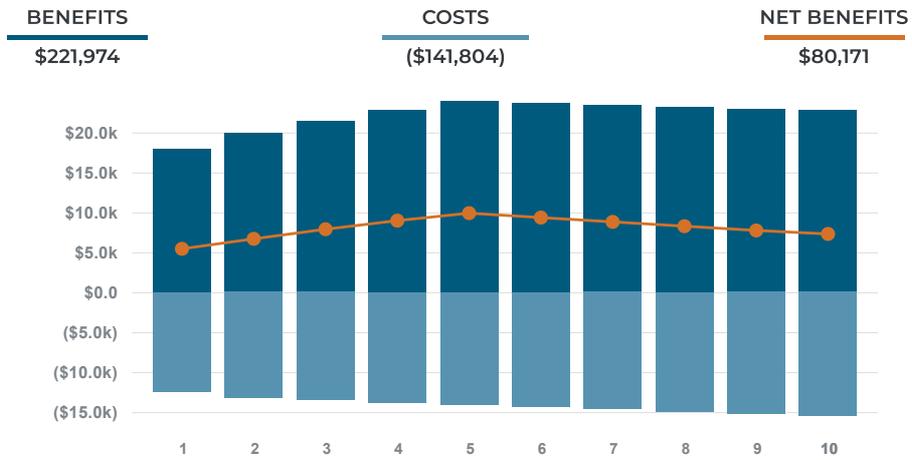


Harris County Fiscal Impact

The table below displays the estimated additional benefits, costs, and net benefits to be received by Harris County over the next 10 years of the Project.

| NET BENEFITS OVER 10 YEARS: HARRIS COUNTY | | | |
|---|-------------------|-------------------|--------------------|
| BENEFITS | PROJECT | HOUSEHOLDS | TOTAL |
| Real Property Taxes | \$12,656 | \$0 | \$12,656 |
| FF&E Property Taxes | \$32,364 | \$0 | \$32,364 |
| Inventory Property Taxes | \$59,063 | \$0 | \$59,063 |
| New Residential Property Taxes | \$0 | \$43,292 | \$43,292 |
| Hotel Occupancy Taxes | \$65 | \$0 | \$65 |
| Miscellaneous Taxes and User Fees | \$28,708 | \$45,826 | \$74,533 |
| Benefits Subtotal | \$132,857 | \$89,117 | \$221,974 |
| COSTS | PROJECT | HOUSEHOLDS | TOTAL |
| Cost of Government Services | (\$54,852) | (\$86,951) | (\$141,804) |
| Costs Subtotal | (\$54,852) | (\$86,951) | (\$141,804) |
| Net Benefits | \$78,005 | \$2,166 | \$80,171 |

Annual Fiscal Net Benefits for Harris County

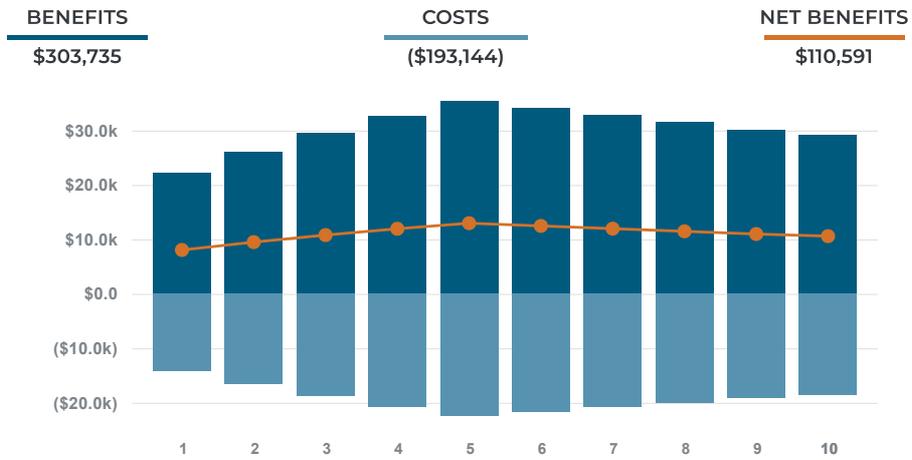


Tomball ISD Fiscal Impact

The table below displays the estimated additional benefits, costs, and net benefits to be received by Tomball ISD over the next 10 years of the Project.

| NET BENEFITS OVER 10 YEARS: TOMBALL ISD | | | |
|---|--------------------|-------------------|--------------------|
| BENEFITS | PROJECT | HOUSEHOLDS | TOTAL |
| Real Property Taxes | \$34,915 | \$0 | \$34,915 |
| FF&E Property Taxes | \$89,284 | \$0 | \$89,284 |
| Inventory Property Taxes | \$162,938 | \$0 | \$162,938 |
| New Residential Property Taxes | \$0 | \$3,938 | \$3,938 |
| Addtl. State & Federal School Funding | \$0 | \$12,659 | \$12,659 |
| Benefits Subtotal | \$287,137 | \$16,597 | \$303,735 |
| COSTS | PROJECT | HOUSEHOLDS | TOTAL |
| Cost to Educate New Students | \$0 | (\$10,640) | (\$10,640) |
| Reduction in State School Funding | (\$180,035) | (\$2,469) | (\$182,504) |
| Costs Subtotal | (\$180,035) | (\$13,109) | (\$193,144) |
| Net Benefits | \$107,102 | \$3,488 | \$110,591 |

Annual Fiscal Net Benefits for Tomball ISD

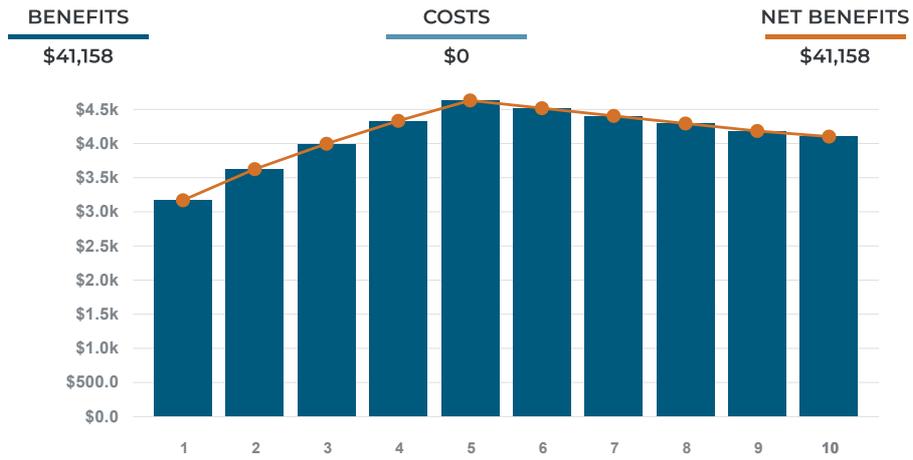


Lone Star College Fiscal Impact

The table below displays the estimated additional benefits, costs, and net benefits to be received by Lone Star College over the next 10 years of the Project.

| NET BENEFITS OVER 10 YEARS: LONE STAR COLLEGE | | | |
|---|-----------------|-----------------|-----------------|
| BENEFITS | PROJECT | HOUSEHOLDS | TOTAL |
| Real Property Taxes | \$3,535 | \$0 | \$3,535 |
| FF&E Property Taxes | \$9,038 | \$0 | \$9,038 |
| Inventory Property Taxes | \$16,495 | \$0 | \$16,495 |
| New Residential Property Taxes | \$0 | \$12,090 | \$12,090 |
| Benefits Subtotal | \$29,068 | \$12,090 | \$41,158 |
| COSTS | PROJECT | HOUSEHOLDS | TOTAL |
| None Estimated | \$0 | \$0 | \$0 |
| Costs Subtotal | \$0 | \$0 | \$0 |
| Net Benefits | \$29,068 | \$12,090 | \$41,158 |

Annual Fiscal Net Benefits for Lone Star College

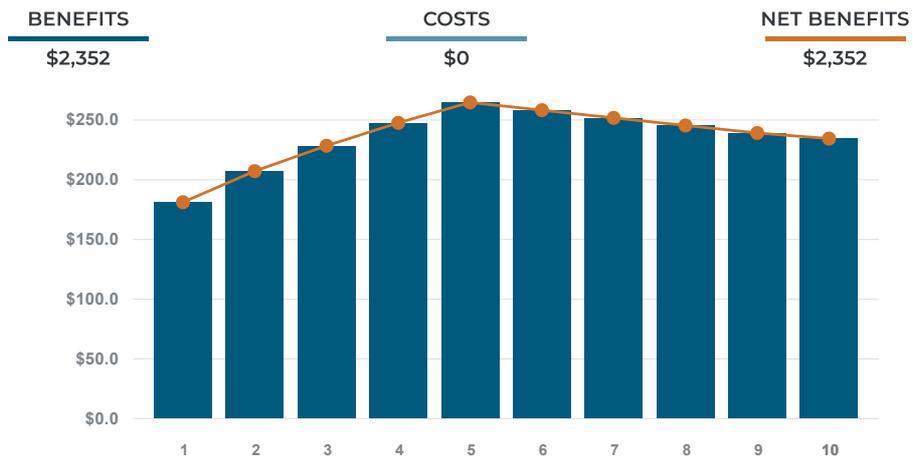


Port of Houston Fiscal Impact

The table below displays the estimated additional benefits, costs, and net benefits to be received by Port of Houston over the next 10 years of the Project.

| NET BENEFITS OVER 10 YEARS: PORT OF HOUSTON | | | |
|---|----------------|--------------|----------------|
| BENEFITS | PROJECT | HOUSEHOLDS | TOTAL |
| Real Property Taxes | \$202 | \$0 | \$202 |
| FF&E Property Taxes | \$517 | \$0 | \$517 |
| Inventory Property Taxes | \$943 | \$0 | \$943 |
| New Residential Property Taxes | \$0 | \$691 | \$691 |
| Benefits Subtotal | \$1,661 | \$691 | \$2,352 |
| COSTS | PROJECT | HOUSEHOLDS | TOTAL |
| None Estimated | \$0 | \$0 | \$0 |
| Costs Subtotal | \$0 | \$0 | \$0 |
| Net Benefits | \$1,661 | \$691 | \$2,352 |

Annual Fiscal Net Benefits for Port of Houston

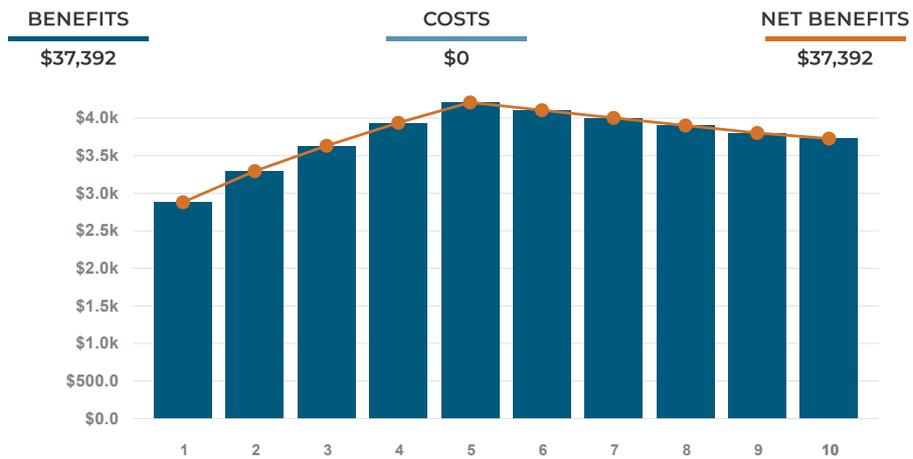


Harris County ESD #8 Fiscal Impact

The table below displays the estimated additional benefits, costs, and net benefits to be received by Harris County ESD #8 over the next 10 years of the Project.

| NET BENEFITS OVER 10 YEARS: HARRIS COUNTY ESD #8 | | | |
|--|-----------------|-----------------|-----------------|
| BENEFITS | PROJECT | HOUSEHOLDS | TOTAL |
| Real Property Taxes | \$3,211 | \$0 | \$3,211 |
| FF&E Property Taxes | \$8,211 | \$0 | \$8,211 |
| Inventory Property Taxes | \$14,985 | \$0 | \$14,985 |
| New Residential Property Taxes | \$0 | \$10,984 | \$10,984 |
| Benefits Subtotal | \$26,408 | \$10,984 | \$37,392 |
| COSTS | PROJECT | HOUSEHOLDS | TOTAL |
| None Estimated | \$0 | \$0 | \$0 |
| Costs Subtotal | \$0 | \$0 | \$0 |
| Net Benefits | \$26,408 | \$10,984 | \$37,392 |

Annual Fiscal Net Benefits for Harris County ESD #8

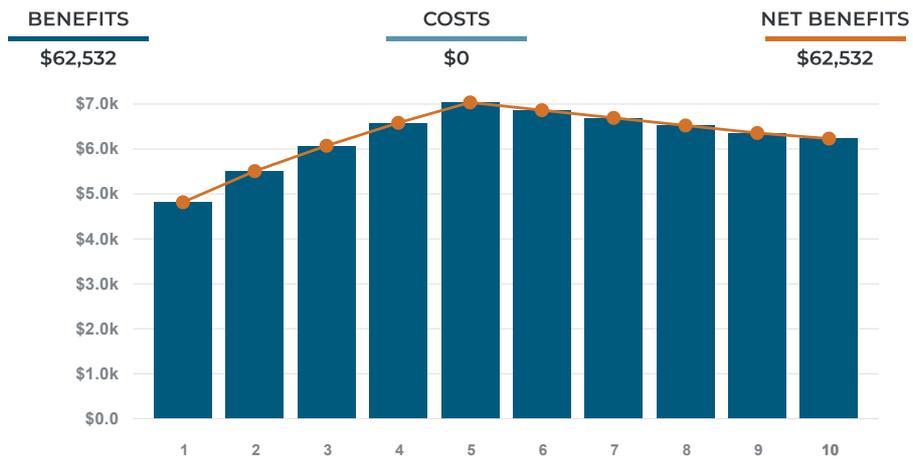


Harris County Hospital District Fiscal Impact

The table below displays the estimated additional benefits, costs, and net benefits to be received by Harris County Hospital District over the next 10 years of the Project.

| NET BENEFITS OVER 10 YEARS: HARRIS COUNTY HOSPITAL DISTRICT | | | |
|---|-----------------|-----------------|-----------------|
| BENEFITS | PROJECT | HOUSEHOLDS | TOTAL |
| Real Property Taxes | \$5,370 | \$0 | \$5,370 |
| FF&E Property Taxes | \$13,732 | \$0 | \$13,732 |
| Inventory Property Taxes | \$25,061 | \$0 | \$25,061 |
| New Residential Property Taxes | \$0 | \$18,369 | \$18,369 |
| Benefits Subtotal | \$44,163 | \$18,369 | \$62,532 |
| COSTS | PROJECT | HOUSEHOLDS | TOTAL |
| None Estimated | \$0 | \$0 | \$0 |
| Costs Subtotal | \$0 | \$0 | \$0 |
| Net Benefits | \$44,163 | \$18,369 | \$62,532 |

Annual Fiscal Net Benefits for Harris County Hospital District

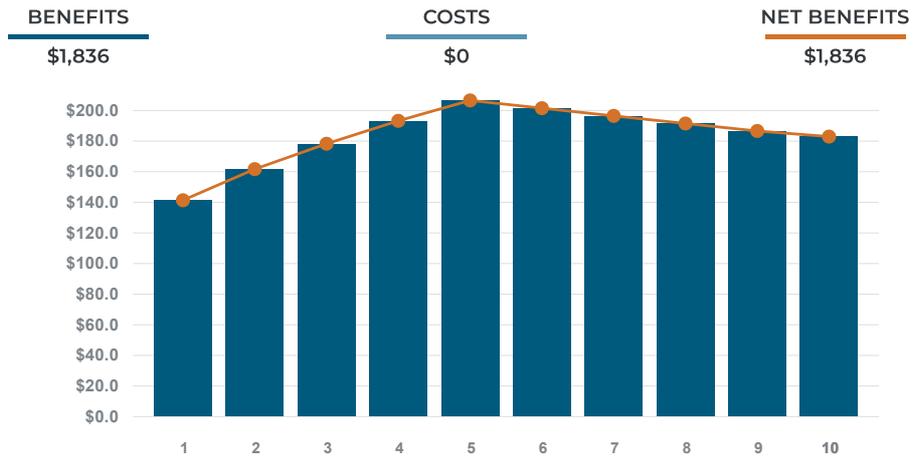


Harris County Department of Education Fiscal Impact

The table below displays the estimated additional benefits, costs, and net benefits to be received by Harris County Department of Education over the next 10 years of the Project.

| NET BENEFITS OVER 10 YEARS: HARRIS COUNTY DEPARTMENT OF EDUCATION | | | |
|---|----------------|--------------|----------------|
| BENEFITS | PROJECT | HOUSEHOLDS | TOTAL |
| Real Property Taxes | \$158 | \$0 | \$158 |
| FF&E Property Taxes | \$403 | \$0 | \$403 |
| Inventory Property Taxes | \$736 | \$0 | \$736 |
| New Residential Property Taxes | \$0 | \$539 | \$539 |
| Benefits Subtotal | \$1,296 | \$539 | \$1,836 |
| COSTS | PROJECT | HOUSEHOLDS | TOTAL |
| None Estimated | \$0 | \$0 | \$0 |
| Costs Subtotal | \$0 | \$0 | \$0 |
| Net Benefits | \$1,296 | \$539 | \$1,836 |

Annual Fiscal Net Benefits for Harris County Department of Education

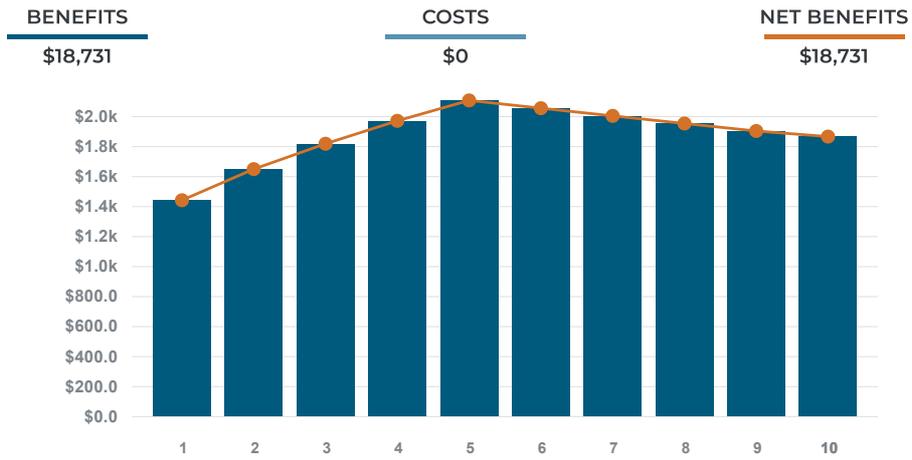


Harris County Flood Control Fiscal Impact

The table below displays the estimated additional benefits, costs, and net benefits to be received by Harris County Flood Control over the next 10 years of the Project.

| NET BENEFITS OVER 10 YEARS: HARRIS COUNTY FLOOD CONTROL | | | |
|---|-----------------|----------------|-----------------|
| BENEFITS | PROJECT | HOUSEHOLDS | TOTAL |
| Real Property Taxes | \$1,609 | \$0 | \$1,609 |
| FF&E Property Taxes | \$4,113 | \$0 | \$4,113 |
| Inventory Property Taxes | \$7,507 | \$0 | \$7,507 |
| New Residential Property Taxes | \$0 | \$5,502 | \$5,502 |
| Benefits Subtotal | \$13,229 | \$5,502 | \$18,731 |
| COSTS | PROJECT | HOUSEHOLDS | TOTAL |
| None Estimated | \$0 | \$0 | \$0 |
| Costs Subtotal | \$0 | \$0 | \$0 |
| Net Benefits | \$13,229 | \$5,502 | \$18,731 |

Annual Fiscal Net Benefits for Harris County Flood Control



Methodology

Overview of Methodology

The Impact DashBoard model combines project-specific attributes with community data, tax rates, and assumptions to estimate the economic impact of the Project and the fiscal impact for local taxing districts over a 10-year period.

The economic impact as calculated in this report can be categorized into two main types of impacts. First, the direct economic impacts are the jobs and payroll directly created by the Project. Second, this economic impact analysis calculates the spin-off or indirect and induced impacts that result from the Project. Indirect jobs and salaries are created in new or existing area firms, such as maintenance companies and service firms, that may supply goods and services for the Project. In addition, induced jobs and salaries are created in new or existing local businesses, such as retail stores, gas stations, banks, restaurants, and service companies that may supply goods and services to new workers and their families.

The economic impact estimates in this report are based on the Regional Input-Output Modeling System (RIMS II), a widely used regional input-output model developed by the U. S. Department of Commerce, Bureau of Economic Analysis. The RIMS II model is a standard tool used to estimate regional economic impacts. The economic impacts estimated using the RIMS II model are generally recognized as reasonable and plausible assuming the data input into the model is accurate or based on reasonable assumptions. Impact DataSource utilizes adjusted county-level multipliers to estimate the impact occurring at the sub-county level.

Two types of regional economic multipliers were used in this analysis: an employment multiplier and an earnings multiplier. An employment multiplier was used to estimate the number of indirect and induced jobs created or supported in the area. An earnings multiplier was used to estimate the amount of salaries to be paid to workers in these new indirect and induced jobs. The employment multiplier shows the estimated number of total jobs created for each direct job. The earnings multiplier shows the estimated amount of total salaries paid to these workers for every dollar paid to a direct worker. The multipliers used in this analysis are listed below:

| 333132 OIL AND GAS FIELD MACHINERY AND EQUIPMENT MANUFACTURING | | CITY OF TOMBALL |
|--|-------------------------|-----------------|
| Employment Multiplier | (Type II Direct Effect) | 1.8773 |
| Earnings Multiplier | (Type II Direct Effect) | 1.4883 |

Most of the revenues estimated in this study result from calculations relying on (1) attributes of the Project, (2) assumptions to derive the value of associated taxable property or sales, and (3) local tax rates. In some cases, revenues are estimated on a per new household, per new worker, or per new school student basis.

The company or Project developer was not asked, nor could reasonably provide data for calculating some other revenues. For example, while the city will likely receive revenues from fines paid on speeding tickets given to new workers, the company does not know the propensity of its workers to speed. Therefore, some revenues are calculated using an average revenue approach.

This approach uses relies on two assumptions:

1. The taxing entity has two general revenue sources: revenues from residents and revenues from businesses.
2. The taxing entity will collect (a) about the same amount of miscellaneous taxes and user fees from each new household that results from the Project as it currently collects from existing households on average, and (b) the same amount of miscellaneous taxes and user fees from the new business (on a per worker basis) will be collected as it collects from existing businesses.

In the case of the school district, some additional state and federal revenues are estimated on a per new school student basis consistent with historical funding levels.

Additionally, this analysis sought to estimate the additional expenditures faced by local jurisdictions to provide services to new households and new businesses. A marginal cost approach was used to calculate these additional costs.

This approach relies on two assumptions:

1. The taxing entity spends money on services for two general groups: revenues from residents and revenues from businesses.
2. The taxing entity will spend slightly less than its current average cost to provide local government services (police, fire, EMS, etc.) to (a) new residents and (b) businesses on a per worker basis.

In the case of the school district, the marginal cost to educate new students was estimated based on a portion of the school's current expenditures per student and applied to the headcount of new school students resulting from the Project.

Additionally, this analysis seeks to calculate the impact on the school district's finances from the Project by generally, and at a summary level, mimicking the district's school funding formula.

According to the Texas Education Agency, any property added to local tax rolls, and the local taxes that this generates, reduces the amount of state funding equivalent to local taxes collected for maintenance and operations. The school district retains local taxes received for debt services and the corresponding state funding is not reduced. However, according to the Texas Education Agency, the school district will receive state aid for each new child that moves to the District. The additional revenues for the school district are calculated in this analysis.

About Impact DataSource

Established in 1993, Impact DataSource is an Austin, Texas-based economic consulting firm. Impact DataSource provides high-quality economic research, specializing in economic and fiscal impact analyses. The company is highly focused on supporting economic development professionals and organizations through its consulting services and software. Impact DataSource has conducted thousands of economic impact analyses of new businesses, retention and expansion projects, developments, and activities in all industry groups throughout the U.S.

For more information on Impact DataSource, LLC and our product Impact DashBoard, please visit our website www.impactdatasource.com



Scenario 1 with Client Data

AGREEMENT

THE STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF HARRIS §

This Agreement (the “Agreement”) is made and entered into by and between the **Tomball Economic Development Corporation**, an industrial development corporation created pursuant to the Development Corporation Act, now Chapter 501 et seq of the Texas Local Government Code, located in Harris County, Texas (the “TEDC”), and **SMS Precision Tech, LLC** (the “Company”), 22955 State Hwy. 249, Ste. 37, Tomball, TX 77375.

WITNESSETH:

WHEREAS, it is the established policy of the TEDC to adopt such reasonable measures from time-to-time as are permitted by law to endeavor to attract industry, create and retain primary jobs, expand the growth of the City of Tomball (the “City”), and thereby enhance the economic stability and growth of the City; and

WHEREAS, the Company proposes to lease 19,980 square-feet of new office and warehouse space to be located at 28002 and 28010 Johnson Road, Tomball, Texas 77375, (the “Property”), and more particularly described in Exhibit “A,” attached hereto and made a part hereof; and

WHEREAS, the Company, currently located at 22955 State Hwy. 249, Ste. 37, Tomball, TX 77375, proposes to relocate its corporate headquarters to the Property, and as part of the process, plans to make capital investments including building improvements, fixed machinery and equipment and tangible personal property (the “Improvements”) in an amount equal to Two Million Dollars (\$2,000,000.00) as are necessary to occupy the Property and grow the business; and

WHEREAS, the Company also proposes to relocate forty-seven (47) full-time employees to the Property within its first two years of operations at the Property; and

WHEREAS, the TEDC agrees to provide to the Company the sum of Seventy Thousand Five Hundred Dollars (\$70,500.00) to assist in the construction of the Improvements, the relocation of the 47 employees, at the Property; and

WHEREAS, the Company has agreed, in exchange and as consideration for the funding, to satisfy and comply with certain terms and conditions; and

WHEREAS, this expenditure is found by the Board of Directors of the TEDC to be suitable for the relocation of the corporate headquarters to the property, to promote and develop new business enterprises on the Property, and in furtherance of the creation and retention of primary jobs;

NOW, THEREFORE, in consideration of the premises and the mutual benefits and obligations set forth herein, including the recitals set forth above, the TEDC and the Company agree as follows:

1.

Except as provided by paragraph 4, the Company covenants and agrees that it will operate and maintain the proposed business for a term of at least five (5) years and will maintain forty-seven (47) full-time employees on the Property.

2.

The construction of the Improvements and the obtaining of all necessary occupancy permits from the City must occur within twenty-four (24) months from the Effective Date of this Agreement. Extensions of these deadlines may be granted by the Board of Directors of the TEDC due to any extenuating circumstance or uncontrollable delay.

3.

The Company further covenants and agrees that it does not and will not knowingly employ an undocumented worker. An “undocumented worker” shall mean an individual who, at the time of employment, is not (a) lawfully admitted for permanent residence to the United States; or (b) authorized by law to be employed in that manner in the United States.

4.

In consideration of the Company's representations, promises, and covenants, TEDC agrees to grant to the Company Seventy Thousand Five Hundred Dollars (\$70,500.00) to fund a portion of the cost of the Improvements and the relocation of the 47 employees. The TEDC agrees to distribute such funds to the Company within thirty (30) days of receipt of a letter from the Company requesting such payment, which letter shall also include: (a) a copy of the City's occupancy permit for the Improvements to the Property, if applicable; (b) proof that the company has added the number of employees indicated above to the Tomball operation as evidenced by copies of Texas Workforce Commission form C-3 or Internal Revenue Service form 941; (c) a letter from the City acknowledging that all necessary plats, plans, and specifications have been received, reviewed, and approved; (d) certification that the Improvements have been constructed in accordance with the approved plans and specifications; (e) an affidavit stating that all contractors and subcontractors providing work and/or materials in the construction of the Improvements have been paid and any and all liens and claims regarding such work have been released; and (f) Proof of payment to all contractors and subcontractors providing work and/or materials in the construction of the Improvements, proof of payment must include copies of canceled checks and/or credit card receipts and copies of paid invoices from all contractors and subcontractors.

In the event the number of jobs originally projected is not met or maintained, the amount of the funding provided to the Company by TEDC will be reduced on a pro-rata basis to reflect the actual number of jobs at the time of the request for disbursement of funds.

5.

It is understood and agreed by the parties that, in the event of a default by the Company on any of its obligations under this Agreement, the Company shall reimburse the TEDC the full amount paid to the Company by the TEDC, with interest at the rate equal to the 90-day Treasury Bill plus ½% per annum, within 120 days after the TEDC notifies the Company of the default. It is further understood and agreed by the parties that if the Company is convicted of a violation under 8 U.S.C. Section 1324a(f), the Company will reimburse the TEDC the full amount paid to the Company, with interest at the rate equal to the 90-day Treasury Bill plus ½% per annum, within 120 days after the TEDC notifies the Company of the violation.

The Company shall also reimburse the TEDC for any and all reasonable attorney's fees and costs incurred by the TEDC as a result of any action required to obtain reimbursement of such funds. Such reimbursement shall be due and payable thirty (30) days after the Company receives written notice of default accompanied by copies of all applicable invoices.

It is understood and agreed by the parties that, in the event of a default by the TEDC on any of its obligations under this Agreement, the Company's sole and exclusive remedy shall be limited to either a) the termination of this Agreement or b) a suit for specific performance.

6.

Personal Liability of Public Officials: To the extent permitted by law, no director, officer, employee or agent of the TEDC, and no officer, employee or agent of the City of Tomball, shall be personally responsible for any liability arising under or growing out of this Agreement.

7.

This Agreement shall inure to the benefit of and be binding upon the TEDC and the Company, and upon the Company's successors and assigns, affiliates, and subsidiaries, and shall remain in force whether the Company sells, assigns, or in any other manner disposes of, either voluntarily or by operation of law, all or any part of the Property and the agreements herein contained shall be held to be covenants running with the Property for so long as this Agreement, or any extension thereof, remains in effect.

8.

Any notice provided or permitted to be given under this Agreement must be in writing and may be served by (i) depositing the same in the United States mail, addressed to the party to be notified, postage prepaid, registered or certified mail, return receipt requested; or (ii) by delivering the same in person to such party; or (iii) by overnight or messenger delivery service that retains regular records of delivery and receipt; or (iv) by facsimile; provided a copy of such notice is sent within one (1) day thereafter by another method provided above. The initial addresses of the parties for the purpose of notice under this Agreement shall be as follows:

If to City: Tomball Economic Development Corporation
401 W. Market Street
Tomball, Texas 77375
Attn: President, Board of Directors

If to Company: SMS Precision Tech, LLC
22955 State Hwy. Ste 37
Tomball, TX 77375
Attn: Todd Griffin, President

9.

This Agreement shall be performable and enforceable in Harris County, Texas, and shall be construed in accordance with the laws of the State of Texas.

10.

Except as otherwise provided in this Agreement, this Agreement shall be subject to change, amendment or modification only in writing, and by the signatures and mutual consent of the parties hereto.

11.

The failure of any party to insist in any one or more instances on the performance of any of the terms, covenants or conditions of this Agreement, or to exercise any of its rights, shall not be construed as a waiver or relinquishment of such term, covenant, or condition, or right with respect to further performance.

12.

This Agreement shall bind and benefit the respective Parties and their legal successors and shall not be assignable, in whole or in part, by any party without first obtaining written consent of the other party.

13.

In the event any one or more words, phrases, clauses, sentences, paragraphs, sections, or other parts of this Agreement, or the application thereof to any person, firm, corporation, or circumstance, shall be held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, then the application, invalidity or unconstitutionality of such words, phrases, clauses, sentences, paragraphs, sections, or other parts of this Agreement shall be deemed to be independent of and severable from the remainder of this Agreement, and the validity of the remaining parts of this Agreement shall not be affected thereby.

IN TESTIMONY OF WHICH, THIS AGREEMENT has been executed by the parties on this _____ day of _____ 2024 (the "Effective Date").

SMS Precision Tech, LLC

By: _____

Name: Todd Griffin

Title: President

ATTEST:

By: _____

Name: _____

Title: _____

TOMBALL ECONOMIC DEVELOPMENT CORPORATION

By: _____

Name: Lisa Covington

Title: President, Board of Directors

ATTEST:

By: _____

Name: Bill Sumner Jr.

Title: Secretary, Board of Directors

ACKNOWLEDGMENT

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was acknowledged before me on the ____ day of _____
2026, by Todd Griffin, President, SMS Precision Tech, LLC, for and on behalf of said company.

Notary Public in and for the State of Texas

My Commission Expires: _____

(SEAL)

ACKNOWLEDGMENT

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was acknowledged before me on the __3rd__ day of _March_____
2026, Lisa Covington, President of the Board of Directors of the Tomball Economic Development
Corporation, for and on behalf of said Corporation.

Notary Public in and for the State of Texas

My Commission Expires: _____

(SEAL)

Regular Tomball EDC Agenda Item Data Sheet

Meeting Date: March 3, 2026

Topic:

EXECUTIVE SESSION: The Tomball Economic Development Corporation Board will meet in Executive Session as authorized by Title 5, Chapter 551, Texas Government Code, The Texas Open Meetings Act, for the following purpose:

- Section 551.072, - Deliberations regarding real property: Deliberate the purchase, exchange, sale, lease, or value of real property.
- Section 551.087, - Deliberation regarding Economic Development negotiations.
- Section 551.074, - To deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee, to wit: TEDC Staff.

Background:

Origination: Kelly Violette, Executive Director, Tomball Economic Development Corporation

Recommendation:

Party(ies) responsible for placing this item on agenda: Kelly Violette

FUNDING (IF APPLICABLE)

Are funds specifically designated in the current budget for the full amount required for this purpose?

Yes: _____ No: _____ If yes, specify Account Number: # _____

If no, funds will be transferred from account # _____ To account # _____

Signed _____
Staff Member-TEDC Date

Approved by _____
Executive Director-TEDC Date

Regular Tomball EDC Agenda Item Data Sheet

Meeting Date: March 3, 2026

Topic:

Reconvene into regular session and take action, if necessary, on items discussed in Executive Session.

Background:

Origination: Kelly Violette, Tomball Economic Development Corporation, Executive Director

Recommendation:

Party(ies) responsible for placing this item on agenda: Kelly Violette

FUNDING (IF APPLICABLE)

Are funds specifically designated in the current budget for the full amount required for this purpose?

Yes: _____ No: _____ If yes, specify Account Number: # _____

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Signed _____
Staff Member-TEDC Date

Approved by _____
Executive Director-TEDC Date

Regular Tomball EDC

Agenda Item

Data Sheet

Meeting Date: March 3, 2026

Topic:

Consideration and possible action by Tomball EDC to approve a budget amendment to the Tomball EDC 2025-2026 Fiscal Year Budget.

- Public Hearing

Background:

The City of Tomball and the Tomball Economic Development Corporation (TEDC) have experienced significant growth in recent years, resulting in an expanded scope of work and increased demand for professional capacity. The current staffing structure was developed several years ago and does not fully reflect the operational needs of the organization today.

Tomball Legacy Square (TLS) has become one of TEDC's most time-intensive initiatives, requiring substantial senior staff involvement to manage the committee, coordinate consultants, oversee communications, and conduct regular meetings with the public and partner organizations. Additional workload drivers include continued growth in Tomball, expansion of incentive programs, and implementation of the Corporation's Strategic Plan and quality-of-life priorities.

To better align staffing resources with current and anticipated needs, TEDC will implement internal staff adjustments, which will include eliminating one position and adding two new professional positions (net addition of one employee). The two new positions will focus primarily on project management and marketing/communications.

The project management function will strengthen oversight of major initiatives, including Tomball Legacy Square, and improve coordination across strategic priorities.

The marketing and communications function will enhance business recruitment messaging, stakeholder engagement, and branding efforts. Bringing more of this work in-house is anticipated to reduce reliance on outside consultants for marketing and social media services, with estimated annual professional services savings of approximately \$20,000–\$40,000.

Financial Impact

Net Impact to FY 2025–2026 TEDC Budget: Approximately \$80,000 (salary and benefits)

Full-Year Impact to FY 2026–2027 Budget: Approximately \$159,510 (salary and benefits)

FY 2026 Ending Fund Balance: \$14,495,906

FY 2026 Ending Fund Balance with Budget Amendment: \$14,415,906

The proposed amendment represents a modest adjustment relative to TEDC’s overall fund balance and supports long-term organizational effectiveness.

Approval of this item will authorize the creation of two new positions and a corresponding budget amendment, which will require approval by City Council.

Origination: Kelly Violette, Executive Director, Tomball Economic Development Corporation

Recommendation:

Party(ies) responsible for placing this item on agenda: Kelly Violette

FUNDING (IF APPLICABLE)

Are funds specifically designated in the current budget for the full amount required for this purpose?

Yes: _____ No: _____ If yes, specify Account Number: # _____

If no, funds will be transferred from account # _____ To account # _____

Signed _____
Staff Member-TEDC Date

Approved by _____
Executive Director-TEDC Date

Tomball Economic Development Corporation
FY 2026 Adopted Budget
October 1, 2025 to September 30, 2026

| | FY 2024 Actuals | FY 2025 Adopted Budget | FY 2025 Year End Projections | FY 2026 Adopted Budget |
|--|----------------------|------------------------------|------------------------------------|------------------------------|
| Beginning Fund Balance | \$ 25,352,256 | \$ 29,924,948 | \$ 29,924,948 | \$ 26,357,235 |
| REVENUE | | | | |
| Sales Tax | \$ 5,878,329 | \$ 5,500,000 | \$ 6,260,500 | \$ 6,300,000 |
| Interest | \$ 1,301,135 | \$ 900,000 | \$ 1,255,000 | \$ 1,000,000 |
| Grants | \$ - | \$ - | \$ - | \$ - |
| Other - Land Sales and Lease Payments | \$ 324,711 | \$ - | \$ - | \$ - |
| Total Revenue | \$ 7,504,175 | \$ 6,400,000 | \$ 7,515,500 | \$ 7,300,000 |
| Total Available Resources | \$ 32,856,431 | \$ 36,324,948 | \$ 37,440,448 | \$ 33,657,235 |
| EXPENDITURES | | | | |
| Administrative | | | | |
| Salaries - Administrative | \$ 398,209 | \$ 404,156 | \$ 404,156 | \$ 418,856 |
| Wages - Full-Time | \$ 52,102 | \$ 49,462 | \$ 49,462 | \$ 51,146 |
| Wages - Overtime | \$ - | \$ 3,567 | \$ 1,500 | \$ 3,567 |
| Wages - Other (Intern) | \$ - | \$ 7,500 | \$ 7,500 | \$ 9,000 |
| Benefits | \$ 180,029 | \$ 203,683 | \$ 203,683 | \$ 206,215 |
| Total Salaries and Benefits | \$ 630,340 | \$ 668,368 | \$ 666,301 | \$ 688,784 |
| Other Personnel Expenditures | | | | |
| Auto Allowances | \$ 17,161 | \$ 21,600 | \$ 21,600 | \$ 25,800 |
| Phone Allowances | \$ 2,758 | \$ 2,700 | \$ 2,700 | \$ 2,700 |
| Travel and Meals (formerly Local Travel & Travel/Training) | \$ 13,829 | \$ 31,000 | \$ 10,300 | \$ 15,500 |
| Dues and Subscriptions | \$ 13,726 | \$ 15,000 | \$ 16,615 | \$ 20,000 |
| Training (formerly Seminar/Conference Reg) | \$ 8,083 | \$ 18,000 | \$ 12,500 | \$ 16,000 |
| Total Other Personnel Expense | \$ 55,557 | \$ 88,300 | \$ 63,715 | \$ 80,000 |
| Service and Supply Expenditures | | | | |
| Contracted Administrative Services | \$ 25,000 | \$ 55,000 | \$ 55,000 | \$ 55,345 |
| Service Charge (formerly Bank Charges & Postage) | \$ 109 | \$ 1,000 | \$ 250 | \$ 250 |
| Postage (New Account) | \$ - | \$ - | \$ - | \$ 250 |
| Insurance | \$ 26,862 | \$ 80,000 | \$ 73,000 | \$ 93,000 |
| Computer Equipment & Maintenance | \$ 8,480 | \$ 12,000 | \$ 11,000 | \$ 12,000 |
| Internet & Phone Services (formerly Communications Services) | \$ 4,844 | \$ 6,000 | \$ 6,000 | \$ 7,000 |
| Professional Services - Legal Fees | \$ 3,708 | \$ 40,000 | \$ 10,000 | \$ 30,000 |
| Lease Expense-GTACC | \$ 26,040 | \$ 85,166 | \$ 85,166 | \$ 85,200 |
| Office & Computer Supplies | \$ 9,255 | \$ 14,000 | \$ 14,000 | \$ 14,000 |
| Office Moving/Remodeling Exp. | \$ - | \$ 100,500 | \$ 100,462 | \$ - |
| Total Service and Supply Expense | \$ 104,298 | \$ 393,666 | \$ 354,878 | \$ 297,045 |
| Total Administrative Expenditures | \$ 790,195 | \$ 1,150,334 | \$ 1,084,894 | \$ 1,065,829 |
| Indirect Economic Development Exp. | | | | |
| Marketing | \$ 143,502 | \$ 197,500 | \$ 155,000 | \$ 150,000 |
| Economic Impact Model License | \$ 4,698 | \$ 4,839 | \$ 4,839 | \$ 4,984 |
| Event Sponsorships | \$ 25,962 | \$ 29,000 | \$ 14,000 | \$ 29,000 |
| Printing & Binding | \$ 2,669 | \$ 6,500 | \$ 6,500 | \$ 6,500 |
| Website and GIS | \$ 18,448 | \$ 25,000 | \$ 25,000 | \$ 26,000 |
| Professional Services | \$ 262,790 | \$ 750,000 | \$ 385,000 | \$ 565,000 |
| Grow Tomball Initiative | \$ 13,900 | \$ 20,000 | \$ 20,000 | \$ 20,000 |
| Miscellaneous | \$ 18,276 | \$ 25,000 | \$ 25,000 | \$ 15,000 |
| Total Indirect Expenditures | \$ 490,245 | \$ 1,057,839 | \$ 635,339 | \$ 816,484 |

| | FY 2024 Actuals | FY 2025 Adopted Budget | FY 2025 Year End Projections | FY 2026 Adopted Budget |
|---|--------------------|------------------------------|------------------------------------|------------------------------|
| City Debt Service | | | | |
| Business Park Infrastructure (Series 2013) | \$ 546,013 | \$ 547,313 | \$ 547,313 | \$ 548,413 |
| Medical Complex/Persimmon (Series 2016) | \$ 222,222 | \$ 222,222 | \$ 222,222 | \$ 222,222 |
| Southside Sewer Plant Expansion (2025) | | \$ 1,000,000 | \$ 1,000,000 | \$ 1,500,000 |
| Total Debt Service | \$ 768,235 | \$ 1,769,535 | \$ 1,769,535 | \$ 2,270,635 |
| Grants, Loans & Other Expenditures | | | | |
| Project Grants | \$ 378,033 | \$ 5,000,000 | \$ 1,200,000 | \$ 8,318,381 |
| Sales Tax Reimbursement Grants (380) | \$ 11,379 | \$ 100,000 | \$ 70,130 | \$ 100,000 |
| Property Acquisition | \$ 2,121 | \$ 5,500,000 | \$ 4,269,000 | \$ 1,000,000 |
| Business Improvement Grants- Current Year | \$ 162,121 | \$ 350,000 | \$ 192,675 | \$ 350,000 |
| Business Improvement Grants- Prior Year | \$ 116,336 | \$ 250,000 | \$ 95,640 | \$ 250,000 |
| Old Town Façade Grants- Current Year | \$ - | \$ 250,000 | \$ 90,000 | \$ 250,000 |
| Old Town Façade Grants- Prior Year | \$ 47,553 | \$ 100,000 | \$ 100,000 | \$ 190,000 |
| Old Town Projects | | \$ 1,500,000 | \$ 500,000 | \$ 700,000 |
| South Live Oak Redevelopment & Maintenance | \$ 97,609 | \$ 500,000 | \$ 50,000 | \$ 500,000 |
| Business Park Expenses | \$ 16,955 | \$ 350,000 | \$ 450,000 | \$ 100,000 |
| Tomball Legacy Square | | \$ 5,500,000 | \$ 450,000 | \$ 3,000,000 |
| Summer Youth Employment Program | \$ - | \$ 126,000 | \$ 126,000 | \$ 250,000 |
| Total Grants/Loans/Other | \$ 832,107 | \$ 19,526,000 | \$ 7,593,445 | \$ 15,008,381 |
| Total All Expenditures | \$ 2,880,782 | \$ 23,503,708 | \$ 11,083,213 | \$ 19,161,329 |
| Revenues Over (Under) Expenditures | \$ 4,623,393 | \$ (17,103,708) | \$ (3,567,713) | \$ (11,861,329) |
| Other Income/Losses on Investments | \$ 50,701 | \$ - | \$ - | \$ - |
| Ending Fund Balance | \$ 29,924,948 | \$ 12,821,240 | \$ 26,357,235 | \$ 14,495,906 |

TEDC Debt Service Schedule

| | Series 1999 | Series 2002 | Series 2013 | Series 2016 | Series 2025 | Annual Payments |
|--------------|-------------------|---------------------|------------------------|------------------------|----------------------|-------------------------|
| 2016 | \$ 188,148 | \$ 370,000 | \$ 528,012.50 | | | \$ 1,086,160.50 |
| 2017 | \$ 188,148 | \$ 370,000 | \$ 530,912.50 | | | \$ 1,089,060.50 |
| 2018 | \$ 188,148 | \$ 370,000 | \$ 533,612.50 | | | \$ 1,091,760.50 |
| 2019 | \$ 188,148 | \$ 370,000 | \$ 536,112.50 | | | \$ 1,094,260.50 |
| 2020 | | \$ 370,000 | \$ 533,462.50 | \$ 222,222 | | \$ 1,125,684.50 |
| 2021 | | \$ 370,000 | \$ 535,662.50 | \$ 222,222 | | \$ 1,127,884.50 |
| 2022 | | \$ 370,000 | \$ 537,662.50 | \$ 222,222 | | \$ 1,129,884.50 |
| 2023 | | | \$ 539,462.50 | \$ 222,222 | | \$ 761,684.50 |
| 2024 | | | \$ 546,012.50 | \$ 222,222 | | \$ 768,234.50 |
| 2025 | | | \$ 547,312.50 | \$ 222,222 | \$ 1,000,000 | \$ 1,769,534.50 |
| 2026 | | | \$ 548,412.50 | \$ 222,222 | \$ 1,500,000 | \$ 2,270,634.50 |
| 2027 | | | \$ 548,737.50 | \$ 222,222 | \$ 1,500,000 | \$ 2,270,959.50 |
| 2028 | | | \$ 548,275.00 | \$ 222,222 | \$ 1,500,000 | \$ 2,270,497.00 |
| 2029 | | | \$ 551,925.00 | \$ 222,222 | \$ 1,500,000 | \$ 2,274,147.00 |
| 2030 | | | \$ 549,056.25 | \$ 222,222 | \$ 1,500,000 | \$ 2,271,278.25 |
| 2031 | | | \$ 549,600.00 | \$ 222,222 | \$ 1,500,000 | \$ 2,271,822.00 |
| 2032 | | | \$ 549,075.00 | \$ 222,222 | \$ 1,500,000 | \$ 2,271,297.00 |
| 2033 | | | \$ 548,100.00 | \$ 222,222 | \$ 1,500,000 | \$ 2,270,322.00 |
| 2034 | | | | \$ 222,222 | \$ 1,500,000 | \$ 1,722,222.00 |
| 2035 | | | | \$ 222,222 | \$ 1,500,000 | \$ 1,722,222.00 |
| 2036 | | | | \$ 222,222 | \$ 1,500,000 | \$ 1,722,222.00 |
| 2037 | | | | \$ 222,226 | \$ 1,500,000 | \$ 1,722,226.00 |
| 2038 | | | | | \$ 1,500,000 | \$ 1,500,000.00 |
| 2039 | | | | | \$ 1,500,000 | \$ 1,500,000.00 |
| 2040 | | | | | \$ 1,500,000 | \$ 1,500,000.00 |
| 2041 | | | | | \$ 1,500,000 | \$ 1,500,000.00 |
| 2042 | | | | | \$ 1,500,000 | \$ 1,500,000.00 |
| 2043 | | | | | \$ 1,500,000 | \$ 1,500,000.00 |
| 2044 | | | | | \$ 1,500,000 | \$ 1,500,000.00 |
| Total | \$ 752,592 | \$ 2,590,000 | \$ 9,761,406.25 | \$ 4,000,000.00 | \$ 29,500,000 | \$ 46,603,998.25 |

Southside Sewer Plant (1999 CO-2/15/2019)
 Utilities Expansion (2002 CO- 2/15/2022)
 Business Park Infrastructure (2013 CO - 2033)
 Medical Complex Drive-Section 4B, Persimmon Street (2016 CO - 2037)
 Southside Sewer Plant Expansion (2025 CO - 2044)