

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



**Tuesday, March 04, 2025  
5:30 PM**

Notice is hereby given of a meeting of the Tomball Economic Development Corporation, to be held on Tuesday, March 04, 2025 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 4, 2025, 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: 829 3193 3060 Passcode: 817596. 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.](#) 2024 TEDC Mix & Jingle – December 12, 2024
- [2.](#) 2024 Winter Newsletter
- [3.](#) New TEDC Office Grand Opening and Ribbon Cutting
- [4.](#) 2025-2026 TEDC Strategic Planning Workshops – March 25th – 12:00 p.m. – 5:00 p.m. – March 26th – 9:00 a.m. – 4:00 p.m. – 501 James Street, Tomball, Texas 77375
- [5.](#) Career Fair – April 16, 2025 – 10:00 a.m. – 2:00 p.m. – Beckendorf Conference Center – 30555 Tomball Parkway, Tomball, Texas 77375
- [6.](#) Summer Youth Employment Program Update

G. Approval of Minutes

- [7.](#) Regular Tomball EDC Meeting of November 12, 2024

H. New Business

- [8.](#) Presentation by Bragg Farmer, Finance Director, regarding the Tomball EDC 2024-2025 Fiscal Year financial statements.
- [9.](#) Consideration and possible action by Tomball EDC to approve, as a Project of the Corporation, an agreement with Longhorn Realty Investments, LLC to make direct incentives to, or expenditures for, assistance with infrastructure costs required or suitable for the promotion of new or expanded business enterprise related to the expansion of a medical office facility to be located at 308 Holderrieth Blvd., Tomball, Texas 77375. The estimated amount of expenditures for such Project is \$91,835.00.

- Public Hearing

- [10.](#) Consideration and possible action by Tomball EDC to approve, as a Project of the Corporation, an agreement with Houston Poly Bag I, Ltd to make direct incentives to, or expenditures for, equipment expansion for the creation and retention of primary jobs for Houston Poly Bag I, Ltd, located at 11726 Holderrieth Rd., Tomball, Texas 77375. The estimated amount of expenditures for such Project is \$48,601.00.

- Public Hearing

- [11.](#) Consideration and possible action by Tomball EDC to approve, as a Project of the Corporation, an agreement with Material and Design Solutions, LLC to make direct incentives to, or expenditures for, the creation or retention of primary jobs associated with the development of a corporate headquarters facility, located at 1515 S. Persimmon Street, Tomball, Texas 77375. The estimated amount of expenditures for such Project is \$85,902.00.

- Public Hearing

- [12.](#) Consideration and possible action by Tomball EDC to approve, as a Project of the Corporation, an agreement with Theis Lane and South Cherry Street, LLC to make direct incentives to, or expenditures for, assistance with infrastructure costs required or suitable for the promotion of new or expanded business enterprise related to the development and construction of a retail development to be located at the corner of Theis Lane and Cherry Street, Tomball, Texas 77375. The estimated amount of expenditures for such Project is \$83,615.00.

- Public Hearing

- [13.](#) Consideration and possible action by Tomball EDC to approve, as a Project of the Corporation, an agreement with Innersculpt Studio, LLC to make direct incentives to, or expenditures for, rental assistance for new or expanded business enterprise to be located at 1417 Graham Drive, Suite 600, Tomball, Texas 77375. The estimated amount of expenditures for such Project is \$10,000.00.

- Public Hearing

- [14.](#) Consideration and possible action by Tomball EDC to approve, as a Project of the Corporation, an agreement with the City of Tomball to make direct incentives to, or expenditures for, the upsizing of street trees in conjunction with the FM 2920/Main Street Rebuild Project located in the City of Tomball, Texas. The estimated amount of expenditures for such Project is \$1,500,000.00.

- Public Hearing

- [15.](#) Consideration and possible action by Tomball EDC to approve, as a Project of the Corporation, an agreement with the City of Tomball to make direct incentives to, or expenditures for, the relocation of city utilities in conjunction with the FM 2920/Main Street Rebuild project located in the City of Tomball, Texas. The estimated amount of expenditures for such Project is \$1,000,000.00.

- Public Hearing

16. Consideration and possible action by Tomball EDC to approve, as a Project of the Corporation, an agreement with the City of Tomball to make direct incentives to, or expenditures for, improvements to the South Wastewater Treatment Plant Expansion project located in the City of Tomball, Texas. The estimated amount of expenditures for such Project is \$20,000,000.00.

  - Public Hearing
17. Discussion regarding design options for Old Town Tomball Billboard Signs.
18. 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.
19. Reconvene into regular session and take action, if necessary, on items discussed in Executive Session.
20. TEDC Quarterly update on 2024-2025 Strategic Work Plan.

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 28th day of FEBRUARY 2025 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](http://www.ci.tomball.tx.us).

# Regular Tomball EDC Agenda Item Data Sheet

Meeting Date: March 4, 2025

**Topic:**

2024 TEDC Mix & Jingle – December 12, 2024

**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 4, 2025

**Topic:**

2024 Winter Newsletter

**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 4, 2025

**Topic:**

New TEDC Office Grand Opening and Ribbon Cutting

**Background:**

**Origination:**

**Recommendation:**

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

**FUNDING (IF APPLICABLE)**

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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 4, 2025

**Topic:**

25-26 TEDC Strategic Planning Workshops – March 25<sup>th</sup> – 12:00 p.m. – 5:00 p.m. – March 26<sup>th</sup> – 9:00 a.m. – 4:00 p.m. – 501 James Street, Tomball, Texas 77375.

**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 4, 2025

**Topic:**

Career Fair – April 16, 2025 – 10:00 a.m. – 2:00 p.m. – Beckendorf Conference Center – 30555 Tomball Parkway, Tomball, Texas 77375.

**Background:**

**Origination:**

**Recommendation:**

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

**FUNDING (IF APPLICABLE)**

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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 4, 2025

**Topic:**

Summer Youth Employment Program Update

**Background:**

**Origination:**

**Recommendation:**

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

**FUNDING (IF APPLICABLE)**

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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 4, 2025

**Topic:**

Regular Tomball EDC Meeting of November 12, 2024

**Background:**

**Origination:** Kelly Violette, Executive Director

**Recommendation:**

Approval of the Minutes for the Meeting of November 12, 2024

**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, November 12, 2024  
5:30 PM**

Notice is hereby given of a meeting of the Tomball Economic Development Corporation, to be held on Tuesday, November 12, 2024 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 NOVEMBER 12, 2024, 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](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.**

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**A. Call to Order**

President Fagan called the meeting to order at 5:50 p.m.

**PRESENT**

President Gretchen Fagan

Secretary Bill Sumner

Member Lisa Covington

Member Jim Engelke  
Member Brock Hendrickson  
Member Danny Hudson  
Member Latrell Shannon

OTHERS PRESENT

Kelly Violette  
Tiffani Wooten  
Tori Gleason  
McKayley Dannelley  
Tom Condon  
Bragg Farmer  
Tom Condon  
Dennis Winkler  
Warren Buehler  
Tam Duong  
Ngh Duong  
Hien Duong  
Analyn Noratu  
Travis James (via Zoom)  
Kaela Olson (via Zoom)

B. Invocation

Board Member Engelke 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:

Tiffani Wooten provided an overview of the following:

1. Fall 2024 Quarterly Newsletter

2. Office Relocation Update
3. Mix & Jingle Networking Event – December 12, 2024 – 5:00 – 7:00 – Paradigm Brewing Company

G. Approval of Minutes

Motion made by Member Covington, Seconded by Member Shannon.

Voting Yea: Secretary Sumner, Member Covington, Member Engelke, Member Hendrickson, Member Hudson, Member Shannon.

The motion carried unanimously.

4. Regular Tomball EDC Meeting of September 10, 2024
5. Special Tomball EDC Meeting of October 8, 2024

H. New Business

6. Presentation by Bragg Farmer, Finance Director, regarding the Tomball EDC 2023-2024 Fiscal Year End financial statements.

Presentation item only; no Board action required.

7. Consideration and possible action by Tomball EDC to approve, as a Project of the Corporation, an agreement with NIVIS SERIES, LLC to make direct incentives to, or expenditures for, assistance with infrastructure costs required or suitable for the promotion of new or expanded business enterprise related to the construction of a commercial office/retail development to be located at 424 Holderrieth Blvd, Tomball, Texas 77375. The estimated amount of expenditures for such Project is \$34,170.00.

Public Hearing

President Fagan opened the public hearing at 6:24 p.m. No comments were received. Public hearing was closed at 6:24 p.m.

Motion made by Member Engelke, Seconded by Member Covington.

Voting Yea: Secretary Sumner, Member Covington, Member Engelke, Member Hendrickson, Member Hudson, Member Shannon.

The motion carried unanimously.

8. Consideration and possible action by Tomball EDC to approve, as a Project of the Corporation, an agreement with Niky's Mini Donuts, LLC to make direct

incentives to, or expenditures for, rental assistance for new or expanded business enterprise to be located at 1417 Graham Drive, Suite 400, Tomball, Texas 77375. The estimated amount of expenditures for such Project is \$10,000.00.

Public Hearing

President Fagan opened the public hearing at 6:26 p.m. No comments were received. Public hearing was closed at 6:26 p.m.

Motion made by Member Shannon, Seconded by Member Engelke.

Voting Yea: Secretary Sumner, Member Covington, Member Engelke, Member Hendrickson, Member Hudson, Member Shannon.

The motion carried unanimously.

- 9. Consideration and possible action by Tomball EDC to approve an amendment to the Commercial Real Estate Listing Agreement with Colliers International for the sale of EDC owned property in the Tomball Business and Technology Park.

Motion made by Secretary Sumner, Seconded by Member Engelke.

Voting Yea: Secretary Sumner, Member Covington, Member Engelke, Member Hendrickson, Member Hudson, Member Shannon.

The motion carried unanimously.

- 10. Consideration and possible action by Tomball EDC to approve an amendment to Exclusive Representation Agreement with Colliers International for real estate services related to the acquisition of property within the city limits of or ETJ of Tomball.

Motion made by Member Covington, Seconded by Secretary Sumner.

Voting Yea: Secretary Sumner, Member Covington, Member Engelke, Member Hendrickson, Member Hudson, Member Shannon.

The motion carried unanimously.

- 11. Consideration and possible action by Tomball EDC to approve, a Resolution of which the caption reads:

“A RESOLUTION OF THE TOMBALL ECONOMIC DEVELOPMENT CORPORATION PROVIDING THE TIME AND PLACE OF THE REGULAR MEETINGS OF THE TOMBALL ECONOMIC

DEVELOPMENT CORPORATION IN THE CITY OF TOMBALL, TEXAS FOR THE YEAR 2025.”

Motion made by Member Covington, Seconded by Member Engelke.

Voting Yea: Secretary Sumner, Member Covington, Member Engelke, Member Hendrickson, Member Hudson, Member Shannon.

The motion carried unanimously.

12. Election of Officers: President, Vice President, Secretary, Treasurer.

Motion made by Secretary Sumner, Seconded by Member Covington.

Voting Yea: Secretary Sumner, Member Covington, Member Engelke, Member Hendrickson, Member Hudson, Member Shannon.

President: Gretchen Fagan

Vice President: Lisa Covington

Secretary: Bill Sumner

Treasurer: Jim Engelke

The motion carried unanimously.

13. TEDC Quarterly update on 2024-2025 Strategic Work Plan.

Tiffani Wooten provided an overview.

Presentation item only; no Board action required.

14. Consideration and possible action to approve an agreement with TXP, Inc. for an economic development incentive policy analysis for a not-to-exceed amount of \$52,000 (fixed fee of \$49,500 plus travel expenses).

Motion made by Secretary Sumner, Seconded by Member Covington.

Voting Yea: Secretary Sumner, Member Covington, Member Engelke, Member Hendrickson, Member Hudson, Member Shannon.

The motion carried unanimously.



15. Consideration and possible action to approve strategically located billboards aimed at enhancing the overall visibility and economic growth of our downtown district.

Motion made by Member Engelke, Seconded by Member Covington.

Voting Yea: Member Covington, Member Engelke, Member Hendrickson, Member Hudson, Member Shannon.

Voting Nay: Secretary Sumner

The motion carried unanimously.

16. 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.

No Executive Session was needed.

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

No Executive Session was needed.

I. Adjournment

Motion made by Member Shannon, Seconded by Member Engelke.

Voting Yea: Secretary Sumner, Member Covington, Member Engelke, Member Hendrickson, Member Hudson, Member Shannon.

The motion carried unanimously. Meeting adjourned at 7:22 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 8th day

of NOVEMBER 2024 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](http://www.ci.tomball.tx.us).

PASSED AND APPROVED this the 4th day of March 2025.

\_\_\_\_\_  
President, Tomball EDC Board

\_\_\_\_\_  
Secretary, Tomball EDC Board

# Regular Tomball EDC Agenda Item Data Sheet

Meeting Date: November 12, 2024

**Topic:**

Presentation by Bragg Farmer, Finance Director, regarding the Tomball EDC 2023-2024 Fiscal Year End 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

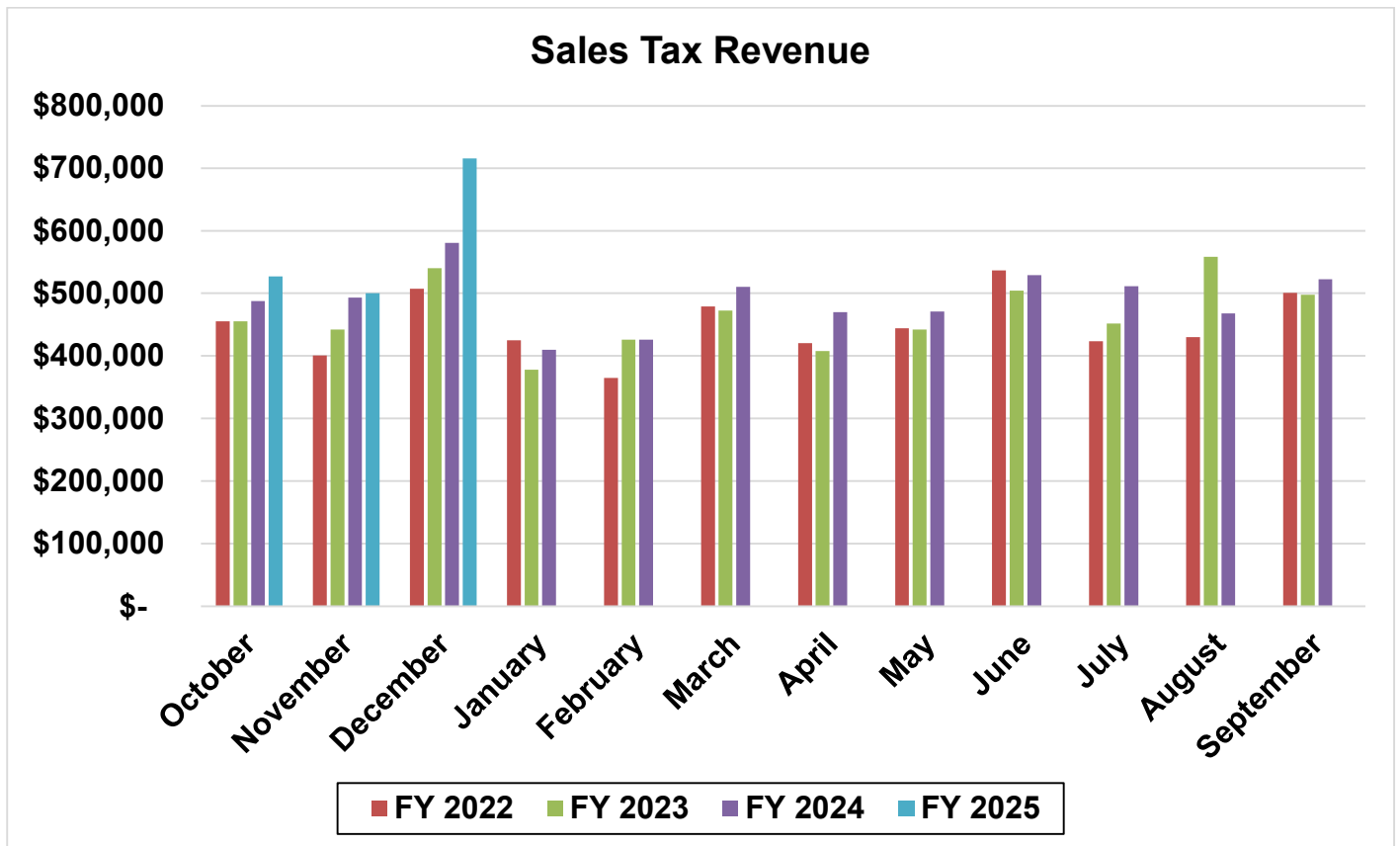
Approved by \_\_\_\_\_  
Executive Director-TEDC Date

# TOMBALL ECONOMIC DEVELOPMENT CORPORATION MEMORANDUM

**TO:** TEDC Board of Directors  
**FROM:** Bragg Farmer  
**SUBJECT:** Financial Information for Quarter Ending December 31, 2024  
**DATE:** February 13, 2025

Attached is the financial information for the quarter ending December 31, 2024 for the Tomball Economic Development Corporation.

Total year-to-date (YTD) revenues were \$2,159,817 which was \$559,817 more than the budgeted amount of \$1,600,000. Sales tax revenues were \$1,743,085, which was \$368,085 greater than the budgeted amount of \$1,375,000. Interest income was \$328,171, which was \$103,171 more than budgeted amount of \$225,000. For fiscal year to date, sales tax revenues were up 11.7% over the previous year on an accrual basis and interest income was up 2.4% over the previous year.



Total administrative expenses for the quarter YTD were \$287,754, which was \$172 more than the budgeted amount of \$287,582. Indirect Economic Development expenses for the quarter YTD were \$309,152, which was \$44,692 more than the budgeted amount of \$264,460.

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, 2024, the TEDC had outstanding commitments for Board Approved Grants of \$3,189,773.

The Quarterly Investment Report is also included, which lists the details of the TEDC’s investment portfolio. As of December 31, 2024, TEDC’s cash and cash equivalents totaled over \$26.8 million. Additionally, TEDC held securities with a total market value of \$1.48 million as of December 31, 2024.

**Tomball Economic Development Corporation**  
**Profit & Loss Budget vs. Actual**  
 October through December 2024

	Oct - Dec 24	Budget	\$ Over Budget	% of Budget
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
Lease Revenue - FBC	10,000.00		10,000.00	100.0%
Lease Revenue - S Live Oak	78,560.94		78,560.94	100.0%
Sales Tax	1,743,085.14	5,500,000.00	-3,756,914.86	31.7%
Interest	328,170.55	900,000.00	-571,829.45	36.5%
<b>Total Income</b>	<b>2,159,816.63</b>	<b>6,400,000.00</b>	<b>-4,240,183.37</b>	<b>33.7%</b>
<b>Gross Profit</b>	<b>2,159,816.63</b>	<b>6,400,000.00</b>	<b>-4,240,183.37</b>	<b>33.7%</b>
<b>Expense</b>				
<b>Administrative Expenditures</b>				
<b>Salaries and Benefits</b>				
Salary-Executive Director	39,100.89	182,703.87	-143,602.98	21.4%
Salary- Assistant Director	29,805.86	138,399.04	-108,593.18	21.5%
Salary-Coordinator	17,675.91	83,039.42	-65,363.51	21.3%
Wages-Admin. Asst.	10,532.85	49,468.02	-38,935.17	21.3%
Wages-Part Time		7,500.00	-7,500.00	
Overtime	549.15	3,567.00	-3,017.85	15.4%
Benefits-Executive Director	14,362.87	75,140.76	-60,777.89	19.1%
Benefits- Assistant Director	13,149.28	65,789.56	-52,640.28	20.0%
Benefits-Coordinator	6,119.79	30,343.07	-24,223.28	20.2%
Benefits-Admin. Asst.	6,559.64	32,409.34	-25,849.70	20.2%
<b>Total Salaries and Benefits</b>	<b>137,856.24</b>	<b>668,360.08</b>	<b>-530,503.84</b>	<b>20.6%</b>
<b>Other Personnel Expenditures</b>				
Auto Allowance-Coordinator	450.00	1,800.00	-1,350.00	25.0%
Auto Allowance-Exec. Director	2,467.74	10,800.00	-8,332.26	22.8%
Auto Allowance-Assistant Dir	2,120.97	9,000.00	-6,879.03	23.6%
Phone Allow.-Exec. Dir.	205.65	900.00	-694.35	22.9%
Phone Allowance- Assistant Dir	205.65	900.00	-694.35	22.9%
Phone Allowance-Coordinator	205.65	900.00	-694.35	22.9%
Dues and Subscriptions	4,798.60	15,000.00	-10,201.40	32.0%
Local Travel Expense	219.43	1,000.00	-780.57	21.9%
Seminar/Conference Registration	3,225.00	18,000.00	-14,775.00	17.9%
Travel and Training	3,450.11	30,000.00	-26,549.89	11.5%
<b>Total Other Personnel Expenditures</b>	<b>17,348.80</b>	<b>88,300.00</b>	<b>-70,951.20</b>	<b>19.6%</b>
<b>Service and Supply Expenditures</b>				
Insurance	638.00	80,000.00	-79,362.00	0.8%
Contract Administrative Service	13,750.00	55,000.00	-41,250.00	25.0%
Bank Charges & Postage	47.00	1,000.00	-953.00	4.7%
Computer Equip. and Maint.	4,199.93	12,000.00	-7,800.07	35.0%
Communications Services	2,079.67	6,000.00	-3,920.33	34.7%
Legal Fees	770.00	40,000.00	-39,230.00	1.9%
Lease Expense-GTACC	8,536.99	85,166.40	-76,629.41	10.0%
Office Supplies	6,550.96	14,000.00	-7,449.04	46.8%
Office Moving/Remodeling Exp.	95,976.44	100,500.00	-4,523.56	95.5%
<b>Total Service and Supply Expenditures</b>	<b>132,548.99</b>	<b>393,666.40</b>	<b>-261,117.41</b>	<b>33.7%</b>
<b>Total Administrative Expenditures</b>	<b>287,754.03</b>	<b>1,150,326.48</b>	<b>-862,572.45</b>	<b>25.0%</b>

**Tomball Economic Development Corporation**  
**Profit & Loss Budget vs. Actual**  
 October through December 2024

	Oct - Dec 24	Budget	\$ Over Budget	% of Budget
<b>Indirect Economic Development</b>				
Grow Tomball Initiative	500.00	20,000.00	-19,500.00	2.5%
Economic Impact Model License	4,839.00	4,839.00		100.0%
Promotional Items		10,000.00	-10,000.00	
Printing	2,363.52	6,500.00	-4,136.48	36.4%
Event Sponsorships	6,635.00	29,000.00	-22,365.00	22.9%
Chamber Guide		8,500.00	-8,500.00	
Area Street Maps		4,000.00	-4,000.00	
Marketing	67,100.00	175,000.00	-107,900.00	38.3%
Website and GIS	13,350.00	25,000.00	-11,650.00	53.4%
Professional Services	200,524.52	750,000.00	-549,475.48	26.7%
Miscellaneous	13,839.96	25,000.00	-11,160.04	55.4%
<b>Total Indirect Economic Development</b>	<b>309,152.00</b>	<b>1,057,839.00</b>	<b>-748,687.00</b>	<b>29.2%</b>
<b>City Debt Service</b>				
COT 2024 Request		1,000,000.00	-1,000,000.00	
Medical Complex/Persimmon		222,222.00	-222,222.00	
Business Park Infrastructure	7,565.50	547,313.00	-539,747.50	1.4%
<b>Total City Debt Service</b>	<b>7,565.50</b>	<b>1,769,535.00</b>	<b>-1,761,969.50</b>	<b>0.4%</b>
<b>Grants, Loans &amp; Other Exp.</b>				
Main Street Rebuild		1,500,000.00	-1,500,000.00	
Summer Youth Employment Program		126,000.00	-126,000.00	
Old Town Projects		1,500,000.00	-1,500,000.00	
First Baptist Church Expenses	13,554.74	5,500,000.00	-5,486,445.26	0.2%
South Live Oak Redevelopment	28,061.64	3,000,000.00	-2,971,938.36	0.9%
Old Town Facade Grants- Prior Y	13,160.24	100,000.00	-86,839.76	13.2%
Old Town Facade Grants- Current		250,000.00	-250,000.00	
Businesss Park Expenses	8,815.41	350,000.00	-341,184.59	2.5%
Sales Tax Reimb.Grants (380)		100,000.00	-100,000.00	
Business Imp. Grants- Prior Yr.	22,323.36	250,000.00	-227,676.64	8.9%
Business Imp. Grants- Curr. Yr.	7,509.44	350,000.00	-342,490.56	2.1%
Project Grants	411,881.19	5,000,000.00	-4,588,118.81	8.2%
Property Acquisition		3,000,000.00	-3,000,000.00	
<b>Total Grants, Loans &amp; Other Exp.</b>	<b>505,306.02</b>	<b>21,026,000.00</b>	<b>-20,520,693.98</b>	<b>2.4%</b>
<b>Total Expense</b>	<b>1,109,777.55</b>	<b>25,003,700.48</b>	<b>-23,893,922.93</b>	<b>4.4%</b>
<b>Net Ordinary Income</b>	<b>1,050,039.08</b>	<b>-18,603,700.48</b>	<b>19,653,739.56</b>	<b>-5.6%</b>
<b>Net Income</b>	<b>1,050,039.08</b>	<b>-18,603,700.48</b>	<b>19,653,739.56</b>	<b>-5.6%</b>

## Tomball Economic Development Corporation Profit & Loss Prev Year Comparison October through December 2024

	Oct - Dec 24	Oct - Dec 23	\$ Change	% Change
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
Lease Revenue - FBC	10,000.00	7,500.00	2,500.00	33.3%
Lease Revenue - S Live Oak	78,560.94	72,294.98	6,265.96	8.7%
Sales Tax	1,743,085.14	1,560,996.02	182,089.12	11.7%
Interest	328,170.55	320,471.34	7,699.21	2.4%
<b>Total Income</b>	2,159,816.63	1,961,262.34	198,554.29	10.1%
<b>Gross Profit</b>	2,159,816.63	1,961,262.34	198,554.29	10.1%
<b>Expense</b>				
<b>Administrative Expenditures</b>				
<b>Salaries and Benefits</b>				
Salary-Executive Director	39,100.89	38,722.64	378.25	1.0%
Salary- Assistant Director	29,805.86	29,503.19	302.67	1.0%
Salary-Coordinator	17,675.91	17,467.75	208.16	1.2%
Wages-Admin. Asst.	10,532.85	10,337.85	195.00	1.9%
Overtime	549.15	795.23	-246.08	-30.9%
Benefits-Executive Director	14,362.87	11,969.01	2,393.86	20.0%
Benefits- Assistant Director	13,149.28	10,537.22	2,612.06	24.8%
Benefits-Coordinator	6,119.79	5,122.22	997.57	19.5%
Benefits-Admin. Asst.	6,559.64	5,247.31	1,312.33	25.0%
<b>Total Salaries and Benefits</b>	137,856.24	129,702.42	8,153.82	6.3%
<b>Other Personnel Expenditures</b>				
Auto Allowance-Coordinator	450.00	0.00	450.00	100.0%
Auto Allowance-Exec. Director	2,467.74	2,700.00	-232.26	-8.6%
Auto Allowance-Assistant Dir	2,120.97	1,500.00	620.97	41.4%
Phone Allow.-Exec. Dir.	205.65	225.00	-19.35	-8.6%
Phone Allowance- Assistant Dir	205.65	225.00	-19.35	-8.6%
Phone Allowance-Coordinator	205.65	225.00	-19.35	-8.6%
Dues and Subscriptions	4,798.60	1,286.22	3,512.38	273.1%
Local Travel Expense	219.43	147.51	71.92	48.8%
Seminar/Conference Registration	3,225.00	0.00	3,225.00	100.0%
Travel and Training	3,450.11	3,150.90	299.21	9.5%
<b>Total Other Personnel Expenditures</b>	17,348.80	9,459.63	7,889.17	83.4%
<b>Service and Supply Expenditures</b>				
Insurance	638.00	548.00	90.00	16.4%
Contract Administrative Service	13,750.00	6,250.00	7,500.00	120.0%
Bank Charges & Postage	47.00	27.09	19.91	73.5%
Computer Equip. and Maint.	4,199.93	136.75	4,063.18	2,971.3%
Communications Services	2,079.67	779.54	1,300.13	166.8%
Legal Fees	770.00	1,057.50	-287.50	-27.2%
Lease Expense-GTACC	8,536.99	4,172.00	4,364.99	104.6%
Office Supplies	6,550.96	442.02	6,108.94	1,382.1%
Office Moving/Remodeling Exp.	95,976.44	0.00	95,976.44	100.0%
<b>Total Service and Supply Expenditures</b>	132,548.99	13,412.90	119,136.09	888.2%
<b>Total Administrative Expenditures</b>	287,754.03	152,574.95	135,179.08	88.6%

**Tomball Economic Development Corporation**  
**Profit & Loss Prev Year Comparison**  
 October through December 2024

	Oct - Dec 24	Oct - Dec 23	\$ Change	% Change
<b>Indirect Economic Development</b>				
Grow Tomball Initiative	500.00	0.00	500.00	100.0%
Economic Impact Model License	4,839.00	4,698.00	141.00	3.0%
Printing	2,363.52	210.84	2,152.68	1,021.0%
Event Sponsorships	6,635.00	6,459.06	175.94	2.7%
Marketing	67,100.00	76,796.00	-9,696.00	-12.6%
Website and GIS	13,350.00	12,100.00	1,250.00	10.3%
Professional Services	200,524.52	64,825.00	135,699.52	209.3%
Miscellaneous	13,839.96	1,099.51	12,740.45	1,158.7%
<b>Total Indirect Economic Development</b>	<b>309,152.00</b>	<b>166,188.41</b>	<b>142,963.59</b>	<b>86.0%</b>
<b>City Debt Service</b>				
Business Park Infrastructure	7,565.50	0.00	7,565.50	100.0%
<b>Total City Debt Service</b>	<b>7,565.50</b>	<b>0.00</b>	<b>7,565.50</b>	<b>100.0%</b>
<b>Grants, Loans &amp; Other Exp.</b>				
First Baptist Church Expenses	13,554.74	759.53	12,795.21	1,684.6%
South Live Oak Redevelopment	28,061.64	14,280.22	13,781.42	96.5%
Old Town Facade Grants- Prior Y	13,160.24	0.00	13,160.24	100.0%
Business Park Expenses	8,815.41	1,292.37	7,523.04	582.1%
Business Imp. Grants- Prior Yr.	22,323.36	73,183.78	-50,860.42	-69.5%
Business Imp. Grants- Curr. Yr.	7,509.44	15,696.14	-8,186.70	-52.2%
Project Grants	411,881.19	28,565.42	383,315.77	1,341.9%
Property Acquisition	0.00	343,636.60	-343,636.60	-100.0%
<b>Total Grants, Loans &amp; Other Exp.</b>	<b>505,306.02</b>	<b>477,414.06</b>	<b>27,891.96</b>	<b>5.8%</b>
<b>Total Expense</b>	<b>1,109,777.55</b>	<b>796,177.42</b>	<b>313,600.13</b>	<b>39.4%</b>
<b>Net Ordinary Income</b>	<b>1,050,039.08</b>	<b>1,165,084.92</b>	<b>-115,045.84</b>	<b>-9.9%</b>
<b>Other Income/Expense</b>				
Other Income				
Other Income				
Unrealized Gains/Losses on Inv.	9,555.44	9,887.58	-332.14	-3.4%
Other Income - Other	183.53	0.00	183.53	100.0%
<b>Total Other Income</b>	<b>9,738.97</b>	<b>9,887.58</b>	<b>-148.61</b>	<b>-1.5%</b>
<b>Total Other Income</b>	<b>9,738.97</b>	<b>9,887.58</b>	<b>-148.61</b>	<b>-1.5%</b>
<b>Net Other Income</b>	<b>9,738.97</b>	<b>9,887.58</b>	<b>-148.61</b>	<b>-1.5%</b>
<b>Net Income</b>	<b>1,059,778.05</b>	<b>1,174,972.50</b>	<b>-115,194.45</b>	<b>-9.8%</b>



**Tomball Economic Development Corporation**  
**Balance Sheet Prev Year Comparison**  
As of December 31, 2024

	Dec 31, 24	Dec 31, 23	\$ Change	% Change
<b>ASSETS</b>				
<b>Current Assets</b>				
<b>Checking/Savings</b>				
Wells Fargo, checking	189,255.64	134,630.79	54,624.85	40.6%
TexasCLASS	1,103,853.41	1,046,872.02	56,981.39	5.4%
TexPool	25,529,870.04	20,596,037.81	4,933,832.23	24.0%
<b>Total Checking/Savings</b>	26,822,979.09	21,777,540.62	5,045,438.47	23.2%
<b>Accounts Receivable</b>				
Lease Receivable	712,316.00	712,316.00	0.00	0.0%
Accounts Receivable - Other	888,756.41	672,831.48	215,924.93	32.1%
Accounts Receivable	1,226,109.33	1,083,924.51	142,184.82	13.1%
<b>Total Accounts Receivable</b>	2,827,181.74	2,469,071.99	358,109.75	14.5%
<b>Other Current Assets</b>				
Lease Interest Receivable	2,417.00	2,417.00	0.00	0.0%
Investment Securities	1,482,777.34	2,681,515.10	-1,198,737.76	-44.7%
<b>Total Other Current Assets</b>	1,485,194.34	2,683,932.10	-1,198,737.76	-44.7%
<b>Total Current Assets</b>	31,135,355.17	26,930,544.71	4,204,810.46	15.6%
<b>Fixed Assets</b>				
Right-To-Use Lease - Accum Dep	-35,689.00	-35,689.00	0.00	0.0%
Right-To-Use Lease Bldgs/Impr	37,176.00	37,176.00	0.00	0.0%
<b>Buildings and Improvements</b>				
Accumulated Depreciation	-842,228.25	-842,228.25	0.00	0.0%
Buildings and Improvements - Other	8,451,365.90	8,451,365.90	0.00	0.0%
<b>Total Buildings and Improvements</b>	7,609,137.65	7,609,137.65	0.00	0.0%
Land	3,605,455.52	3,605,455.52	0.00	0.0%
<b>Total Fixed Assets</b>	11,216,080.17	11,216,080.17	0.00	0.0%
<b>Other Assets</b>				
Property Reserves	500.00	0.00	500.00	100.0%
Leasing Commissions	16,401.51	16,401.51	0.00	0.0%
<b>Total Other Assets</b>	16,901.51	16,401.51	500.00	3.1%
<b>TOTAL ASSETS</b>	<b>42,368,336.85</b>	<b>38,163,026.39</b>	<b>4,205,310.46</b>	<b>11.0%</b>

**Tomball Economic Development Corporation**  
**Balance Sheet Prev Year Comparison**  
As of December 31, 2024

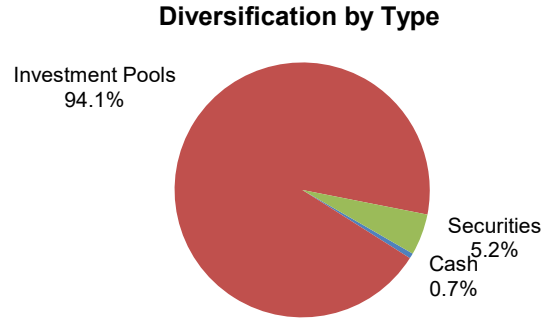
	Dec 31, 24	Dec 31, 23	\$ Change	% Change
<b>LIABILITIES &amp; EQUITY</b>				
<b>Liabilities</b>				
<b>Current Liabilities</b>				
<b>Accounts Payable</b>				
Accounts Payable	198,791.68	168,571.49	30,220.19	17.9%
<b>Total Accounts Payable</b>	198,791.68	168,571.49	30,220.19	17.9%
<b>Other Current Liabilities</b>				
Lease Liability	1,505.00	1,505.00	0.00	0.0%
Refundable Deposit	10,869.00	10,869.00	0.00	0.0%
<b>Total Other Current Liabilities</b>	12,374.00	12,374.00	0.00	0.0%
<b>Total Current Liabilities</b>	211,165.68	180,945.49	30,220.19	16.7%
<b>Long Term Liabilities</b>				
Deferred Inflows - Leases	676,887.00	676,887.00	0.00	0.0%
<b>Total Long Term Liabilities</b>	676,887.00	676,887.00	0.00	0.0%
<b>Total Liabilities</b>	888,052.68	857,832.49	30,220.19	3.5%
<b>Equity</b>				
<b>Fund Balance</b>				
Board Approved Grants	3,189,772.85	2,450,943.43	738,829.42	30.1%
Fund Balance - Other	32,689,613.89	28,286,643.76	4,402,970.13	15.6%
<b>Total Fund Balance</b>	35,879,386.74	30,737,587.19	5,141,799.55	16.7%
Retained Earnings	4,541,119.38	5,392,634.21	-851,514.83	-15.8%
Net Income	1,059,778.05	1,174,972.50	-115,194.45	-9.8%
<b>Total Equity</b>	41,480,284.17	37,305,193.90	4,175,090.27	11.2%
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>42,368,336.85</b>	<b>38,163,026.39</b>	<b>4,205,310.46</b>	<b>11.0%</b>

**TOMBALL ECONOMIC DEVELOPMENT CORPORATION**  
**ACTIVE PROJECT GRANTS (BOARD APPROVED GRANTS)**  
**AS OF DECEMBER 31, 2024**

GRANTEE	APPROVED		ADDITIONS/DELETIONS		PAID		REMAINING AMOUNT	
	DATE	AMOUNT	EXPIRATION DATE	DATE	AMOUNT	DATE		AMOUNT
Dancing Falls Development, LLC	11/14/2017	50,925.00				1/14/2020 3/5/2021 9/1/2021 3/22/2022	15,277.50 5,092.50 12,731.25 5,092.50	12,731.25
ARC Management, LLC	5/15/2018	186,700.00				12/14/2022	105,646.82	81,053.18
Houston Poly Bag I, Ltd	5/28/2020	84,894.00	8/3/2024			12/31/2024	84,894.00	-
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	7/16/2025					105,100.00
Project Hanks/Macy's Inc.	1/11/2022	580,864.00	3/20/2027		(255,876.81)	11/19/2024	324,987.19	-
Persimmon Global Logistics	1/10/2023	16,920.00	3/11/2025			9/26/2023	12,470.00	4,450.00
Hufsmith-Kohrville Business Park, LLC	1/10/2023	122,722.00	9/11/2024					122,722.00
Church Holdings, Inc.	1/10/2023	426,639.00	9/11/2024					426,639.00
T & R Harmon, LLC DBA Craving Kernels	11/14/2023	8,820.00	1/18/2025					8,820.00
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
LOMA Health & Wellness, PLLC	1/23/2024	8,880.00	3/19/2025					8,880.00
Della Casa Pasta LLC	1/23/2024	10,000.00	3/19/2025					10,000.00
Billiard Factory, Inc.	1/23/2024	95,909.00	3/19/2027			5/14/2024	64,738.58	31,170.42
City of Tomball - Alleyway Amenities	1/23/2024	1,188,834.00						1,188,834.00
Summer Youth Employment Program	1/23/2024	40,000.00		9/30/2024	(13,300.05)	9/30/2024	26,699.95	-
Sylvia's Wood Fire Pizza, LLC	3/5/2024	10,000.00	5/24/2025					10,000.00
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					26,750.00
RSC Riverside Construction, LLC	8/13/2024	101,870.00	4/8/2026					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	1/7/2026					10,000.00
<b>Total</b>		<b>\$ 4,140,244.00</b>			<b>\$ (269,176.86)</b>		<b>\$ 681,294.29</b>	<b>\$ 3,189,772.85</b>

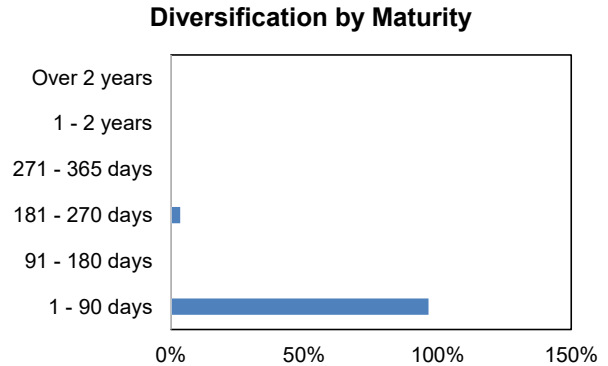
## TOMBALL ECONOMIC DEVELOPMENT CORPORATION QUARTERLY INVESTMENT REPORT December 31, 2024

	Market Value		
	9/30/2024	12/31/2024	Change
Cash	\$ 178,923	\$ 189,256	\$ 10,333
Investment Pools	25,536,848	26,633,723	1,096,875
Securities	1,973,222	1,482,777	(490,445)
<b>Total Portfolio</b>	<b>\$ 27,688,993</b>	<b>\$ 28,305,756</b>	<b>\$ 616,763</b>



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	\$ 27,321,875	97%
91 - 180 days	-	0%
181 - 270 days	983,881	3%
271 - 365 days	-	0%
1 - 2 years	-	0%
Over 2 years	-	0%
<b>Total Portfolio</b>	<b>\$ 28,305,756</b>	



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  
12/31/2024**

SECURITY DESCRIPTION	CUSIP NUMBER	MATURITY DATE	COUPON YIELD	PAR VALUE	MARKET VALUE	DAYS AFTER 12/31/24	INDIVIDUAL MARKET VALUE/TOTAL	WAM DAYS x PERCENT	Callable
1 Texas St TXBL-Public Finance Auth Lease	882669CP7	2/1/2025	2.000%	\$ 500,000	\$ 498,896	32	33.65%	11	N
2 Federal Home Loan Bank	3130AMTK8	6/30/2025	1.000%	\$ 1,000,000	\$ 983,881	181	66.35%	120	Y
<b>TOTAL</b>				<b>1.500%</b>	<b>\$ 1,500,000</b>	<b>\$ 1,482,777</b>	<b>107</b>	<b>100.00%</b>	<b>131</b>

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

December 31, 2024

<b>FUNDS</b>	<b>CASH AND CASH EQUIVALENTS</b>				<b>INVESTMENTS</b>	
<b>MAJOR FUNDS</b>	<b>TEXAS CLASS</b>	<b>TEXPOOL</b>	<b>OPERATING ACCOUNTS</b>	<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>TOTAL INVESTMENTS</b>	<b>TOTAL CASH, CASH EQUIVALENTS AND INVESTMENTS</b>
General	\$ 1,103,853	\$ 25,529,870	\$ 189,256	\$ 26,822,979	\$ 1,482,777	\$ 28,305,756
<b>TOTAL</b>	<b>\$ 1,103,853</b>	<b>\$ 25,529,870</b>	<b>\$ 189,256</b>	<b>\$ 26,822,979</b>	<b>\$ 1,482,777</b>	<b>\$ 28,305,756</b>

## Business Improvement Grant Program

<b>Fiscal 2024-2025</b>	<b>Project Amount</b>		<b>TEDC Grant</b>	<b>Date Approved</b>	<b>Date Funded</b>	<b>Amount Funded</b>	<b>\$350,000.00</b>
The Hutson Group	\$14,500.00	Property	\$7,250.00	10/16/2024	11/26/2024	\$4,000.00	\$342,750.00
TCG Capital, LLC	\$19,800.00	Landscaping	\$9,900.00	11/12/2024			\$332,850.00
Paradigm Brewing Company	\$1,018.88	Property	\$509.44	11/12/2024	11/26/2024	\$509.44	\$332,340.56
MRH Investments, LLC	\$27,587.51	Property	\$10,000.00	10/29/2024			\$322,340.56
Laya's Flower Shop	\$9,300.00	Façade	\$4,650.00	12/10/2024	1/21/2025	\$3,700.00	\$317,690.56
Laya's Flower Shop - Amended 1/13/25	\$4,550.00	Landscaping	\$2,275.00	12/10/2024	2/4/2025	\$2,275.00	\$315,415.56
Laya's Flower Shop	\$5,075.88	Signage	\$1,000.00	12/10/2024	2/25/2025	\$1,000.00	\$314,415.56
Laya's Flower Shop - Amended 1/13/25	\$1,200.00	Property	\$600.00	1/14/2025	2/4/2025	\$600.00	\$313,815.56
Ann & Michael Bolton	\$28,500.00	Façade	\$10,000.00	12/10/2024			\$303,815.56
Ann & Michael Bolton	\$3,625.00	Landscaping	\$1,812.50	12/10/2024			\$302,003.06
Ann & Michael Bolton	\$5,025.00	Property	\$2,512.50	12/10/2024			\$299,490.56
Bramble & Bee	\$1,675.44	Signage	\$837.72	12/10/2024			\$298,652.84
Coats Orthodontics	\$2,450.00	Landscaping	\$1,125.00	12/10/2024			\$297,527.84
Rite Choice Healthcare, PLLC	\$86,054.40	Façade	\$10,000.00	1/14/2025			\$287,527.84
Rite Choice Healthcare, PLLC	\$13,600.00	Signage	\$2,500.00	1/14/2025			\$285,027.84
Rite Choice Healthcare, PLLC	\$19,750.00	Property	\$9,875.00	1/14/2025			\$275,152.84

# Regular Tomball EDC

## Agenda Item

### Data Sheet

Meeting Date: March 4, 2025

#### Topic:

Consideration and possible action by Tomball EDC to approve, as a Project of the Corporation, an agreement with Longhorn Realty Investments, LLC to make direct incentives to, or expenditures for, assistance with infrastructure costs required or suitable for the promotion of new or expanded business enterprise related to the expansion of a medical office facility to be located at 308 Holderrieth Blvd., Tomball, Texas 77375. The estimated amount of expenditures for such Project is \$91,835.00.

- Public Hearing

#### Background:

The Tomball Economic Development Corporation has received a request from Ahmad Adnan Aslam, President of Longhorn Realty Investments, LLC, for assistance with infrastructure costs related to the renovation and development of a heart and vascular surgery center.

Northwest Houston Heart Center PA has been in Tomball for over 19 years at their location at 308 Holderrieth Blvd. Per the request letter, Dr. Aslam is proposing to make renovations to the existing 7,500 sq. ft. Heart Center and build an additional 11,400 sq. ft. Heart and Vascular Surgery Center at the site. Northwest Houston Heart Center Pa and Heart and Vascular Surgery Center, LLC is a project of the parent company, Longhorn Realty Investments, LLC which Dr. Aslam owns and manages.

Along with the renovation and expansion of the surgery center the project retain the existing 45 employees from NW Houston Heart Center and hire an additional 45 full time employees to the site within the first two years. The estimated capital investment for the project is \$6,375,000.00.

Targeted infrastructure that will promote the development and expansion of business enterprise is a permissible project as outlined in Texas Economic Development Legislation. If this project is approved, it will go to the Tomball City Council for final approval by resolution at two separate readings.

An economic impact analysis is included with the agreement to show the impact of this project on Tomball's economy. If the agreement between the TEDC and Northwest Houston Heart Center is approved as a Project of the Corporation, the grant funding amount will not exceed \$91,835, based on 4% of the actual expenditures for the eligible infrastructure improvements.

**Origination:** Ahmad Adnan Aslam, President, Longhorn Realty Investments, LLC

**Recommendation:** Staff recommends approval of the proposed Performance Agreement with Longhorn Realty Investments, 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:  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

## Longhorn Realty Investments, LLC

February 26, 2025

Dear TEDC Board of Directors,

On behalf of Longhorn Realty Investments, LLC, I respectfully submit this request for grant funding from the TEDC for the Renovation and Addition to Northwest Houston Heart Center at 308 Holderrieth Blvd Tomball TX, 77375, our established medical practice of 19 years. Our development, management and ownership is led by Dr Ahmad Adnan Aslam.

Dr Aslam owns Longhorn Realty Investments, LLC which is developing the real estate and will operate his existing medical practice Northwest Houston Heart Center which employs over 40 employees currently at 308 Holderrieth Blvd which is a 7500 SF building. With this addition of the planned 11,400 SF Northwest Houston Heart Center and related businesses will add 25 additional employees in year one and a total of 40 additional employees over the next five years.

The Heart Center's mission is to provide quality and efficient healthcare to residents of Tomball and add high quality job opportunities in the Tomball area. This will enhance the economic growth of Tomball by supporting local businesses.

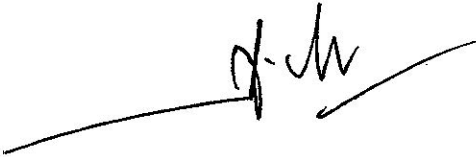
The Renovation and Addition project will be a modern, architecturally pleasing addition to Tomball office buildings. We will also provide pleasant landscaping to create a welcoming space for patients and employees. Conveniently located within walking distance from HCA Tomball hospital and FM 2920 and just minutes from the Grand Parkway and State Highway 249 makes our practice highly accessible to patients residing in Tomball.

The construction phase of this project is anticipated to commence in late March or early April 2025 and is scheduled for completion approximately 9 months later.

We have already submitted our infrastructure and development cost information and site plan with elevation which is attached with this letter. For further assistance in your consideration efforts, we have completed the online Tomball EDC Data Sheet.

We welcome any questions you may have about this application and our development plan. Please feel free to contact us at [houstonheartcenter@yahoo.com](mailto:houstonheartcenter@yahoo.com) or via cell at 832-338-8354. We are grateful for this opportunity and look forward to receiving your assistance. Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read 'A. Aslam', is written over a horizontal line that extends across the width of the signature.

Ahmad Adnan Aslam, MD

President

Longhorn Realty Investments, LLC



# Houston Heart Center - Impact Report - Expansion Only

## Scenario 1 with Client Data

**Project Type:** New Construction - Office

**Industry:** Health Care

**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 disclaim any and all liability based on or relating to any information contained in, or errors or omissions from, this information or based on or relating to the use of this information.

## 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.

## Existing & Expanded Operations

The Project under analysis represents the expansion of an existing business. The table below illustrates the economic impact over the next 10 years including both the current and expanded operations.

ECONOMIC IMPACT OF CURRENT & EXPANDED OPERATIONS OVER 10 YEARS IN CITY OF TOMBALL			
	CURRENT OPERATIONS	EXPANSION	CURRENT & EXPANDED OPERATIONS
JOBS			
Direct	45.0	35.0	80.0
Spin-off	28.0	21.7	49.7
<b>Jobs Total</b>	<b>73.0</b>	<b>56.7</b>	<b>129.7</b>
SALARIES			
Direct	\$38,433,521	\$31,352,180	\$69,785,700
Spin-off	\$10,686,796	\$8,717,764	\$19,404,560
<b>Salaries Total</b>	<b>\$49,120,317</b>	<b>\$40,069,943</b>	<b>\$89,190,260</b>

The table below summarizes the fiscal impact, the net benefits for local taxing districts, over the next 10 years including both the current and expanded operations.

FISCAL IMPACT OF CURRENT & EXPANDED OPERATIONS OVER 10 YEARS			
NET BENEFITS			
	CURRENT OPERATIONS	EXPANSION	CURRENT & EXPANDED OPERATIONS
City of Tomball	\$317,738	\$427,039	\$744,777
Harris County	\$69,266	\$218,073	\$287,340
Tomball ISD	\$260,974	\$243,973	\$504,947
Lone Star College	\$26,362	\$72,154	\$98,516
Port of Houston	\$1,406	\$3,849	\$5,255
Harris County ESD #8	\$22,006	\$60,231	\$82,236
Harris County Hospital District	\$40,053	\$110,879	\$150,932
Harris County Department of Education	\$1,176	\$3,255	\$4,431
Harris County Flood Control	\$9,246	\$26,030	\$35,276
	<b>\$748,227</b>	<b>\$1,165,483</b>	<b>\$1,913,710</b>

The remainder of this report will focus on only the economic and fiscal impact associated with the expansion.

### 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	35.0	21.7	<b>56.7</b>
Annual Salaries/Wages at Full Ops (Yr 2)	\$2,998,800	\$833,844	<b>\$3,832,644</b>
Salaries/Wages over 10 Years	\$31,352,180	\$8,717,764	<b>\$40,069,943</b>
Taxable Sales/Purchases in City of Tomball	\$4,204,075	\$108,972	<b>\$4,313,047</b>

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	0.9	0.6	<b>1.5</b>
New residents in City of Tomball	2.5	1.5	<b>4.0</b>
New residential properties constructed in City of Tomball	0.1	0.1	<b>0.2</b>
New students to attend local school district	0.5	0.3	<b>0.8</b>

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	\$38,363	\$400,000	\$4,400,000	\$500,000	\$50,000	\$5,350,000	<b>\$5,388,363</b>
2	\$54,782	\$408,000	\$4,488,000	\$1,450,000	\$51,000	\$6,397,000	<b>\$6,451,782</b>
3	\$55,878	\$416,160	\$4,577,760	\$1,325,000	\$52,020	\$6,370,940	<b>\$6,426,818</b>
4	\$56,996	\$424,483	\$4,669,315	\$1,197,500	\$53,060	\$6,344,359	<b>\$6,401,354</b>
5	\$58,135	\$432,973	\$4,762,702	\$1,067,500	\$54,122	\$6,317,296	<b>\$6,375,431</b>
6	\$59,298	\$441,632	\$4,857,956	\$910,000	\$55,204	\$6,264,792	<b>\$6,324,090</b>
7	\$60,484	\$450,465	\$4,955,115	\$752,500	\$56,308	\$6,214,388	<b>\$6,274,872</b>
8	\$61,694	\$459,474	\$5,054,217	\$595,000	\$57,434	\$6,166,125	<b>\$6,227,819</b>
9	\$62,928	\$468,664	\$5,155,301	\$437,500	\$58,583	\$6,120,048	<b>\$6,182,976</b>
10	\$64,186	\$478,037	\$5,258,407	\$330,000	\$59,755	\$6,126,199	<b>\$6,190,385</b>

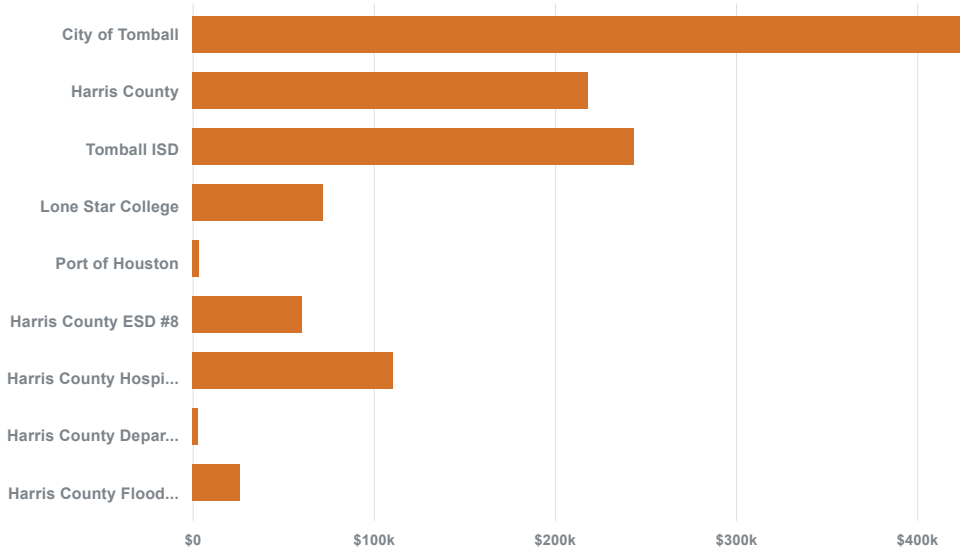
## Fiscal Impact Overview

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	\$819,198	(\$392,159)	\$427,039	\$367,942
Harris County	\$309,613	(\$91,540)	\$218,073	\$168,320
Tomball ISD	\$665,433	(\$421,460)	\$243,973	\$188,065
Lone Star College	\$72,154	\$0	\$72,154	\$55,565
Port of Houston	\$3,849	\$0	\$3,849	\$2,964
Harris County ESD #8	\$60,231	\$0	\$60,231	\$46,383
Harris County Hospital District	\$110,879	\$0	\$110,879	\$85,376
Harris County Department of Education	\$3,255	\$0	\$3,255	\$2,506
Harris County Flood Control	\$26,030	\$0	\$26,030	\$20,039
<b>Total</b>	<b>\$2,070,642</b>	<b>(\$905,159)</b>	<b>\$1,165,483</b>	<b>\$937,161</b>

\*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	\$91,835	\$91,835
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
<b>Total</b>	<b>\$91,835</b>	<b>\$91,835</b>

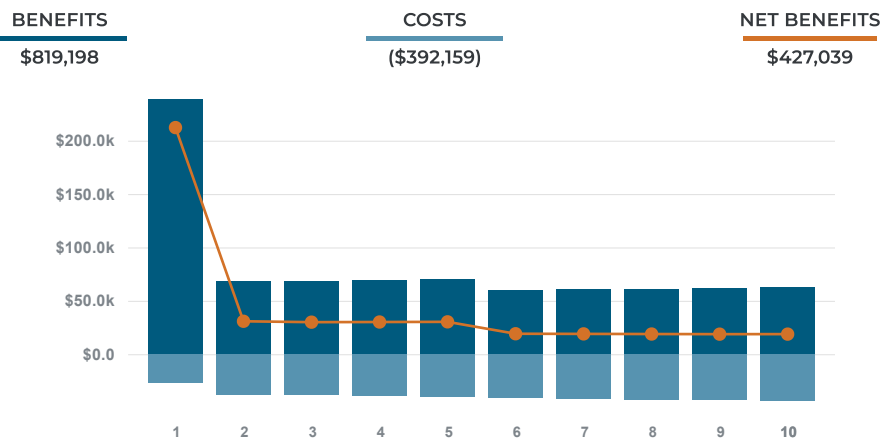


## City of Tomball Fiscal Impact

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	\$76,243	\$10,017	\$86,261
Real Property Taxes	\$154,165	\$0	\$154,165
FF&E Property Taxes	\$25,123	\$0	\$25,123
Inventory Property Taxes	\$1,606	\$0	\$1,606
New Residential Property Taxes	\$0	\$1,680	\$1,680
Hotel Occupancy Taxes	\$683	\$0	\$683
Building Permits and Fees	\$162,847	\$0	\$162,847
Utility Revenue	\$220,958	\$23,707	\$244,665
Utility Franchise Fees	\$12,690	\$1,356	\$14,046
Miscellaneous Taxes and User Fees	\$115,704	\$12,417	\$128,122
<b>Benefits Subtotal</b>	<b>\$770,020</b>	<b>\$49,178</b>	<b>\$819,198</b>
COSTS	PROJECT	HOUSEHOLDS	TOTAL
Cost of Government Services	(\$110,852)	(\$11,862)	(\$122,714)
Cost of Utility Services	(\$243,353)	(\$26,092)	(\$269,445)
<b>Costs Subtotal</b>	<b>(\$354,205)</b>	<b>(\$37,954)</b>	<b>(\$392,159)</b>
<b>Net Benefits</b>	<b>\$415,815</b>	<b>\$11,224</b>	<b>\$427,039</b>

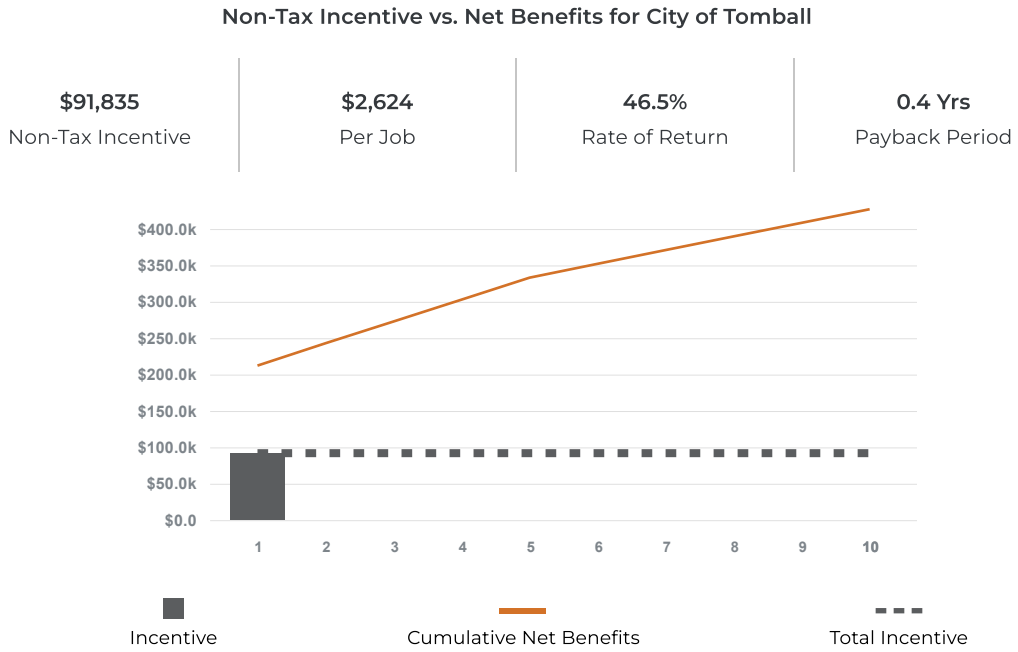
Annual Fiscal Net Benefits for City of Tomball



## City of Tomball Public Support

### Non-Tax Incentives

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	\$202,503	\$0	\$202,503
FF&E Property Taxes	\$33,000	\$0	\$33,000
Inventory Property Taxes	\$2,109	\$0	\$2,109
New Residential Property Taxes	\$0	\$23,707	\$23,707
Hotel Occupancy Taxes	\$195	\$0	\$195
Miscellaneous Taxes and User Fees	\$20,901	\$27,196	\$48,098
<b>Benefits Subtotal</b>	<b>\$258,709</b>	<b>\$50,903</b>	<b>\$309,613</b>
COSTS	PROJECT	HOUSEHOLDS	TOTAL
Cost of Government Services	(\$39,937)	(\$51,603)	(\$91,540)
<b>Costs Subtotal</b>	<b>(\$39,937)</b>	<b>(\$51,603)</b>	<b>(\$91,540)</b>
<b>Net Benefits</b>	<b>\$218,773</b>	<b>(\$699)</b>	<b>\$218,073</b>

Annual Fiscal Net Benefits for Harris County

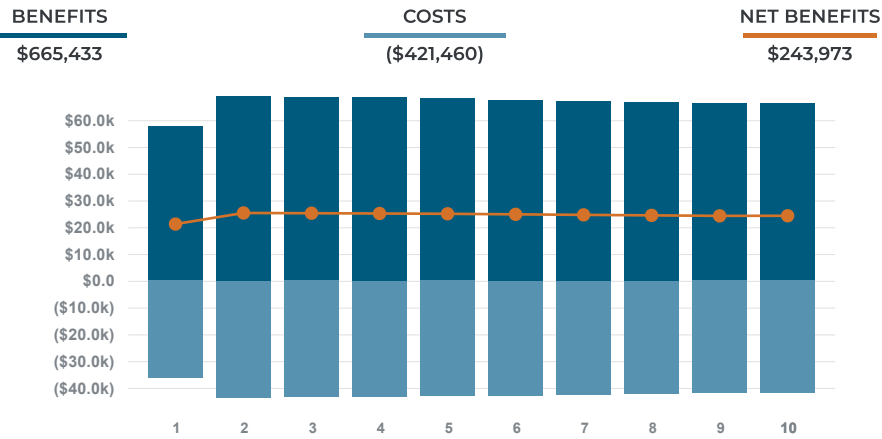


## Tomball ISD Fiscal Impact

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	\$559,855	\$0	\$559,855
FF&E Property Taxes	\$91,234	\$0	\$91,234
Inventory Property Taxes	\$5,832	\$0	\$5,832
New Residential Property Taxes	\$0	\$1,950	\$1,950
Addtl. State & Federal School Funding	\$0	\$6,562	\$6,562
<b>Benefits Subtotal</b>	<b>\$656,921</b>	<b>\$8,512</b>	<b>\$665,433</b>
COSTS	PROJECT	HOUSEHOLDS	TOTAL
Cost to Educate New Students	\$0	(\$6,371)	(\$6,371)
Reduction in State School Funding	(\$413,860)	(\$1,228)	(\$415,089)
<b>Costs Subtotal</b>	<b>(\$413,860)</b>	<b>(\$7,600)</b>	<b>(\$421,460)</b>
<b>Net Benefits</b>	<b>\$243,061</b>	<b>\$912</b>	<b>\$243,973</b>

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	\$56,553	\$0	\$56,553
FF&E Property Taxes	\$9,216	\$0	\$9,216
Inventory Property Taxes	\$589	\$0	\$589
New Residential Property Taxes	\$0	\$5,796	\$5,796
<b>Benefits Subtotal</b>	<b>\$66,358</b>	<b>\$5,796</b>	<b>\$72,154</b>
COSTS	PROJECT	HOUSEHOLDS	TOTAL
None Estimated	\$0	\$0	\$0
<b>Costs Subtotal</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Net Benefits</b>	<b>\$66,358</b>	<b>\$5,796</b>	<b>\$72,154</b>

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	\$3,017	\$0	\$3,017
FF&E Property Taxes	\$492	\$0	\$492
Inventory Property Taxes	\$31	\$0	\$31
New Residential Property Taxes	\$0	\$309	\$309
<b>Benefits Subtotal</b>	<b>\$3,540</b>	<b>\$309</b>	<b>\$3,849</b>
COSTS	PROJECT	HOUSEHOLDS	TOTAL
None Estimated	\$0	\$0	\$0
<b>Costs Subtotal</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Net Benefits</b>	<b>\$3,540</b>	<b>\$309</b>	<b>\$3,849</b>

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	\$47,208	\$0	\$47,208
FF&E Property Taxes	\$7,693	\$0	\$7,693
Inventory Property Taxes	\$492	\$0	\$492
New Residential Property Taxes	\$0	\$4,838	\$4,838
<b>Benefits Subtotal</b>	<b>\$55,392</b>	<b>\$4,838</b>	<b>\$60,231</b>
COSTS	PROJECT	HOUSEHOLDS	TOTAL
None Estimated	\$0	\$0	\$0
<b>Costs Subtotal</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Net Benefits</b>	<b>\$55,392</b>	<b>\$4,838</b>	<b>\$60,231</b>

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	\$85,923	\$0	\$85,923
FF&E Property Taxes	\$14,002	\$0	\$14,002
Inventory Property Taxes	\$895	\$0	\$895
New Residential Property Taxes	\$0	\$10,059	\$10,059
<b>Benefits Subtotal</b>	<b>\$100,820</b>	<b>\$10,059</b>	<b>\$110,879</b>
COSTS	PROJECT	HOUSEHOLDS	TOTAL
None Estimated	\$0	\$0	\$0
<b>Costs Subtotal</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Net Benefits</b>	<b>\$100,820</b>	<b>\$10,059</b>	<b>\$110,879</b>

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	\$2,522	\$0	\$2,522
FF&E Property Taxes	\$411	\$0	\$411
Inventory Property Taxes	\$26	\$0	\$26
New Residential Property Taxes	\$0	\$295	\$295
<b>Benefits Subtotal</b>	<b>\$2,960</b>	<b>\$295</b>	<b>\$3,255</b>
COSTS	PROJECT	HOUSEHOLDS	TOTAL
None Estimated	\$0	\$0	\$0
<b>Costs Subtotal</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Net Benefits</b>	<b>\$2,960</b>	<b>\$295</b>	<b>\$3,255</b>

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	\$19,836	\$0	\$19,836
FF&E Property Taxes	\$3,232	\$0	\$3,232
Inventory Property Taxes	\$207	\$0	\$207
New Residential Property Taxes	\$0	\$2,755	\$2,755
<b>Benefits Subtotal</b>	<b>\$23,275</b>	<b>\$2,755</b>	<b>\$26,030</b>
COSTS	PROJECT	HOUSEHOLDS	TOTAL
None Estimated	\$0	\$0	\$0
<b>Costs Subtotal</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Net Benefits</b>	<b>\$23,275</b>	<b>\$2,755</b>	<b>\$26,030</b>

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:

621111 OFFICES OF PHYSICIANS (EXCEPT MENTAL HEALTH SPECIALISTS)		CITY OF TOMBALL
Employment Multiplier	(Type II Direct Effect)	1.6213
Earnings Multiplier	(Type II Direct Effect)	1.2781

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](http://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 Tex. Rev. Civ. Stat. Ann. Art. 5190.6, Section 4B, located in Harris County, Texas (the “TEDC”), and **Longhorn Realty Investments, LLC** (the “Company”), 308 Holderrieth Blvd., 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 develop a 1.7791-acre tract of land within the City, located at 308 Holderrieth Blvd., Tomball, Texas 77375 (the “Property”), more particularly described in Exhibit “A,” attached hereto and made a part hereof; and

**WHEREAS**, the Company plans to expend over Six Million Dollars (\$6,000,000) to renovate the existing 7,500 square foot medical facility and construct an additional 11,400 square foot heart and vascular surgery center (the “Improvements”) on the site, more particularly described in Exhibit “B,” attached hereto and made a part hereof; and

**WHEREAS**, the Company also proposes to retain the twenty-five (25) existing employees and create an additional thirty-five (35) new full-time employment positions in Tomball in conjunction with the opening of its business operations on the Property; and

**WHEREAS**, the TEDC agrees to provide to the Company the sum of Ninety-One Thousand Eight Hundred and Thirty-Five Dollars (\$91,835.00), or an amount equal to up to Four percent (4%) of actual construction costs if less than the sum stated above, to assist in the construction of infrastructure necessary to promote and develop new business enterprises on the Property. The infrastructure found by the Board of Directors of TEDC to be required to develop the Property are certain drainage facilities and related improvements, site improvements, water, sanitary sewer, and electric, utilities to the exterior of the buildings (the “Infrastructure Improvements”), identified and described in Exhibit “C,” attached hereto and made a part hereof; and

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

**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.

The Company covenants and agrees that it will renovate the existing 7,500 square foot medical facility and construct and maintain on the Property an additional 11,400 square-foot heart and vascular surgery center (the “Improvements”) identified and described in Exhibit “B,” attached hereto and made a part hereof. In conjunction with the development of the Property, the

Company further agrees to construct the Improvements contemplated by this Agreement, in accordance with the requirements of the ordinances of the City and the plans and specifications approved by the City. The Company further represents and agrees that it will certify the costs of the construction of such Infrastructure Improvements to the TEDC prior to construction.

2.

Construction of the Improvements on the Property, including construction of the Infrastructure Improvements, must commence within 180 days from the date of this Agreement (the “Start Date”), and the Company shall notify the TEDC of such Start Date. The construction of the Improvements to the Property, including construction of the Infrastructure Improvements, shall be completed, and all necessary occupancy permits from the City shall be obtained within eighteen (18) months from the Effective Date of this agreement. Extensions of these deadlines due to extenuating circumstances or uncontrollable delay may be granted by the Board of Directors of the TEDC at its sole discretion.

3.

The Company further covenants and agrees that the Improvements described in Paragraph 1 hereof will be occupied and that the indoor sports facility will be maintained on the property for a term of at least five (5) years.

4.

The Company further covenants and agrees that the Company or any owner or leasee of the Improvements 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 under the law to be employed in that manner in the United States.

## 5.

In consideration of the Company's representations, promises, and covenants, TEDC agrees to reimburse the Company for the actual cost of the Infrastructure Improvements up to the amount of Ninety-One Thousand Eight Hundred and Thirty-Five Dollars (\$91,835.00), or an amount equal to up to Four percent (4%) of actual construction costs if less than the sum stated above. The TEDC agrees to reimburse the Company for such amount within thirty (30) days of receipt of a letter from the Company requesting such payment and including: (a) certification of the costs of constructing the Infrastructure Improvements; (b) a copy of the City's occupancy permit for the Improvements to the Property; (c) verification from the City acknowledging that all necessary plats, permits, plans, and specifications have been received, reviewed, and approved; (d) certification that the Infrastructure Improvements have been constructed in accordance with the approved plans and specifications; and (e) an affidavit stating that all contractors and subcontractors providing work and/or materials in the construction of the Infrastructure Improvements have been paid and any and all liens and claims regarding such work have been released.

## 6.

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 one-half percent ( $\frac{1}{2}\%$ ) per annum, within thirty (30) days after the TEDC notifies the Company of the default. It is further understood and agreed by the parties that if the Company, or any owner or lessee of the Improvements, 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 one-half percent ( $\frac{1}{2}\%$ ) per annum, within thirty (30) 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.

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, lessees, affiliates, and subsidiaries, and shall remain in force whether the Company sells, leases, 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: Longhorn Realty Investments, LLC  
308 Holderrieth Blvd.  
Tomball, TX 77375  
Attn: Ahmad Adnan Aslam  
Owner, Longhorn Realty Investments, LLC

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 \_\_\_\_\_ 2025 (the "Effective Date").

**Longhorn Realty Investments, LLC**

By: \_\_\_\_\_  
Name: Ahmad Adnan Aslam  
Title: Owner

ATTEST:

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**TOMBALL ECONOMIC DEVELOPMENT CORPORATION**

By: \_\_\_\_\_  
Name: Gretchen Fagan  
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 \_\_\_\_\_ 2025, by Ahmad Adnan Aslam, Owner, Longhorn Realty Investments, 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 \_\_\_\_\_ day of \_\_\_\_\_ 2025, by Gretchen Fagan, 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)

**Exhibit A**

**Legal Description of Property**

**NORTHWEST HOUSTON HEART CENTER REPLAT NO. 1**

Being a 0.9641 acre, a 0.3214 acre, a 0.3214 acre and a 0.1722 acre tract of land all situated in the Joseph House Survey, A-34, Harris County, Texas, being a replat of Lot 1 in Block 1 of NORTHWEST HEART CENTER, a subdivision as recorded in Film Code Number 621269, of the Map Records of Harris County, Texas, together with a replat of Lots 1, 2, 11 and 12, in Block 6, and a replat of the East 75 feet of Lots 5 and 6, in Block 5, all of MAIN STREET ADDITION TO THE CITY OF TOMBALL, a subdivision as recorded in Volume 15, Page 43, of said Map Records.

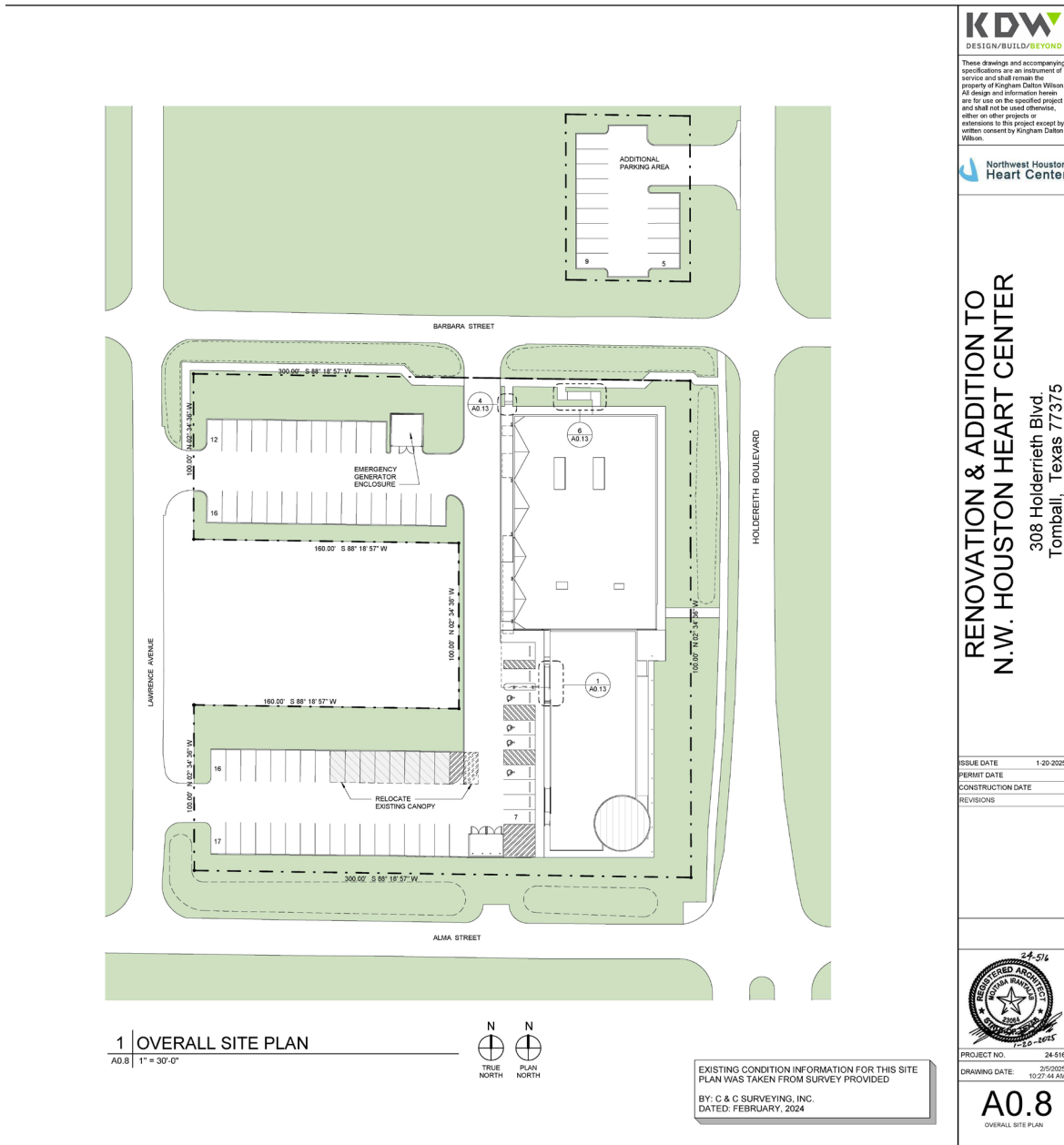
4 Lots, 2 Blocks

DRAFT

## Exhibit B

### Description of Improvements

Renovation to the existing 7,500 square foot medical facility and construction of an additional 11,400 square foot heart and vascular surgery center.



## Exhibit C

**Description of Infrastructure Improvements**

<b>Targeted Infrastructure</b>		
Site Preparations	\$	213,962.00
Underground Detention	\$	189,074.00
Public Storm Sewer & Associated Conflict Resolution	\$	471,709.00
Water/Sanitary/Storm	\$	172,106.00
Telecom/Internet-Allowance	\$	50,000.00
Electric - Generator	\$	464,410.00
Gas Line Relocation	\$	49,790.00
City Sidewalk	\$	43,934.00
Site Paving	\$	440,845.00
Geotechnical Reports / Materials Testing	\$	25,617.00
Consulting Fees	\$	41,250.00
Permit Fees	\$	60,000.00
Landscaping Allowance	\$	40,864.00
Mill & Asphalt Overlay	\$	73,190.00
City Tap Fees	\$	121,983.00
	\$	2,458,734.00

# Regular Tomball EDC

## Agenda Item

### Data Sheet

Meeting Date: March 4, 2025

**Topic:**

Consideration and possible action by Tomball EDC to approve, as a Project of the Corporation, an agreement with Houston Poly Bag I, Ltd to make direct incentives to, or expenditures for, equipment expansion for the creation and retention of primary jobs for Houston Poly Bag I, Ltd, located at 11726 Holderrieth Rd., Tomball, Texas 77375. The estimated amount of expenditures for such Project is \$48,601.00.

- Public Hearing

**Background:**

Houston Poly Bag I, Ltd. (HPB) is a custom manufacturer of polyethylene products used for packaging, including bags, films, sheeting, and liners. HPB has been in business since 1979 and is located within a 90,000 square foot facility at 11726 Holderrieth Rd., Tomball, Texas 77375.

Per the attached request letter from William E. Sumner, III, General Manager of HPB, the company has introduced a new line of compostable and biodegradable flexible packaging products. With the new product lines, the company is at a point where it needs to expand its operations, add equipment, and increase their workforce to keep up with their growth.

HPB proposes to add another 4,000 sq. ft. to their existing 2,000 sq. ft of office space, adding 2 multi-layer extrusion machines, a 10 color CI Printing press and a unwind rewind system for converting out of line production.

The company currently employs 113 people and plans to add 40 new positions in conjunction with this expansion. The estimated capital investment of this project is \$5,123,386.

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 \$162,003. The proposed incentive is \$48,601, based upon 30% of the five-year net benefit.

**Origination:** William E. Sumner, III, General Manager, Houston Poly Bag I, Ltd

**Recommendation:** Staff recommends approval of the proposed Performance Agreement with Houston Poly Bag I, Ltd.

**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



# Houston Poly Bag I, Ltd.

11726 Holderrieth Road  
Tomball, Texas 77375  
WES SUMNER, GM

Telephone (800) 992-7659 (281) 351-1726  
Fax (800) 446-9329 (281) 351-9329

February 28, 2025

Mrs. Tiffani Wooten,

Houston Poly Bag is requesting funding assistance from the TEDC under the Job Creation/Retention grant program. HPB has a product line of home compostable, commercially compostable, soil biodegradable, and or marine biodegradable film. We are looking to expand into our 13<sup>th</sup> and 14<sup>th</sup> extrusion lines which hopefully will be up and running in 2025. We also need a 10 Color CI printing press and a unwind rewind system for converting out of line production. In addition, we need more office space with plans to add another 4000 sq. ft. to our existing 2000 sq. ft. The new addition space will be 2 stories over our parking lot adding covered parking to our premises. This would be at our property located at 11726 Holderrieth Road in the City of Tomball.

Our Plant has been here in Tomball 39 Years, and we are blessed to have the opportunity to add new equipment and expand our office space. We are in discussions with major brands and have film being trialed for packaging items like frozen vegetables, a layer of film for packaging single use health and beauty, layers of film for packaging dry pouches and coffee to name a few applications. Some of this has turned into new business and we are in the development phase yes 5 years now, however by midyear more of these projects will be commercial.

As I write this letter HPB employees 110+ people and see in future this expansion might have employment reach over 150 people. Revenues of \$45,000,000 going to over \$150,000,000 possibly when some of these long R&D projects turn commercial in the next couple of years.

Hopefully the TEDC will help fund this project in partnership with Houston Poly Bag.

If you need any further information, please contact me at the number below.

Regards,

*William E Sumner III*

William E. Sumner, III  
General Manager  
NAICS Code 326111  
281-351-1726  
Houston Poly Bag I, Ltd.  
[wsumner@houstonpolybag.com](mailto:wsumner@houstonpolybag.com)



# Houston Poly Bag - Impact Report - Expansion Only

## Scenario 2 with Client Data

**Project Type:** Business Retention & Expansion

**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 disclaim any and all liability based on or relating to any information contained in, or errors or omissions from, this information or based on or relating to the use of this information.

## 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.

## Existing & Expanded Operations

The Project under analysis represents the expansion of an existing business. The table below illustrates the economic impact over the next 10 years including both the current and expanded operations.

ECONOMIC IMPACT OF CURRENT & EXPANDED OPERATIONS OVER 10 YEARS IN CITY OF TOMBALL			
	CURRENT OPERATIONS	EXPANSION	CURRENT & EXPANDED OPERATIONS
JOBS			
Direct	113.0	40.0	153.0
Spin-off	116.8	41.4	158.2
<b>Jobs Total</b>	<b>229.8</b>	<b>81.4</b>	<b>311.2</b>
SALARIES			
Direct	\$67,819,900	\$11,448,888	\$79,268,788
Spin-off	\$74,578,221	\$12,589,782	\$87,168,003
<b>Salaries Total</b>	<b>\$142.40M</b>	<b>\$24,038,670</b>	<b>\$166.44M</b>

The table below summarizes the fiscal impact, the net benefits for local taxing districts, over the next 10 years including both the current and expanded operations.

FISCAL IMPACT OF CURRENT & EXPANDED OPERATIONS OVER 10 YEARS			
NET BENEFITS			
	CURRENT OPERATIONS	EXPANSION	CURRENT & EXPANDED OPERATIONS
City of Tomball	\$1,030,335	\$205,781	\$1,236,116
Harris County	\$1,041,807	\$157,823	\$1,199,630
Tomball ISD	\$3,042,453	\$184,755	\$3,227,208
Lone Star College	\$307,995	\$60,763	\$368,758
Port of Houston	\$17,604	\$3,473	\$21,077
Harris County ESD #8	\$279,812	\$55,203	\$335,015
Harris County Hospital District	\$467,946	\$92,320	\$560,266
Harris County Department of Education	\$13,737	\$2,710	\$16,447
Harris County Flood Control	\$140,172	\$27,654	\$167,826
	<b>\$6,341,860</b>	<b>\$790,483</b>	<b>\$7,132,343</b>

The remainder of this report will focus on only the economic and fiscal impact associated with the expansion.

### 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	40.0	41.4	<b>81.4</b>
Annual Salaries/Wages	\$2,200,000	\$2,419,232	<b>\$4,619,232</b>
Salaries/Wages over 10 Years	\$11,448,888	\$12,589,782	<b>\$24,038,670</b>
Taxable Sales/Purchases in City of Tomball	\$2,252,131	\$157,372	<b>\$2,409,503</b>

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	1.2	1.2	<b>2.4</b>
New residents in City of Tomball	3.1	3.2	<b>6.3</b>
New residential properties constructed in City of Tomball	0.2	0.2	<b>0.4</b>
New students to attend local school district	0.6	0.6	<b>1.2</b>

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	\$112,172	\$0	\$1,250,000	\$3,873,386	\$2,000,000	\$7,123,386	<b>\$7,235,558</b>
2	\$114,416	\$0	\$1,275,000	\$3,486,047	\$2,040,000	\$6,801,047	<b>\$6,915,463</b>
3	\$116,704	\$0	\$1,300,500	\$3,098,709	\$2,080,800	\$6,480,009	<b>\$6,596,713</b>
4	\$119,038	\$0	\$1,326,510	\$2,711,370	\$2,122,416	\$6,160,296	<b>\$6,279,335</b>
5	\$121,419	\$0	\$1,353,040	\$2,324,032	\$2,164,864	\$5,841,936	<b>\$5,963,355</b>
6	\$123,847	\$0	\$1,380,101	\$1,936,693	\$0	\$3,316,794	<b>\$3,440,642</b>
7	\$126,324	\$0	\$1,407,703	\$1,549,354	\$0	\$2,957,057	<b>\$3,083,382</b>
8	\$128,851	\$0	\$1,435,857	\$1,162,016	\$0	\$2,597,873	<b>\$2,726,724</b>
9	\$131,428	\$0	\$1,464,574	\$774,677	\$0	\$2,239,251	<b>\$2,370,679</b>
10	\$134,057	\$0	\$1,493,866	\$774,677	\$0	\$2,268,543	<b>\$2,402,599</b>

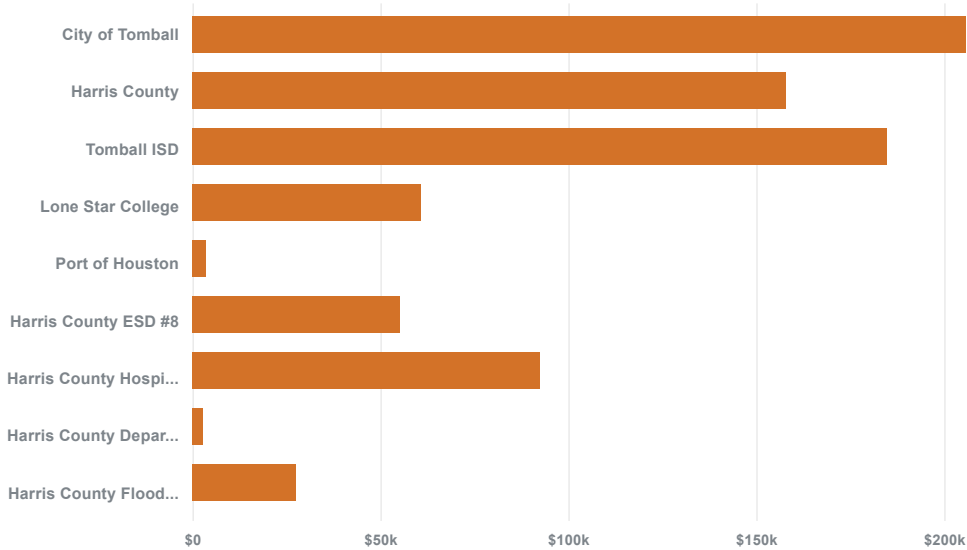
## Fiscal Impact Overview

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	\$683,513	(\$477,732)	\$205,781	\$171,568
Harris County	\$287,377	(\$129,554)	\$157,823	\$129,899
Tomball ISD	\$502,033	(\$317,278)	\$184,755	\$150,621
Lone Star College	\$60,763	\$0	\$60,763	\$49,015
Port of Houston	\$3,473	\$0	\$3,473	\$2,801
Harris County ESD #8	\$55,203	\$0	\$55,203	\$44,529
Harris County Hospital District	\$92,320	\$0	\$92,320	\$74,469
Harris County Department of Education	\$2,710	\$0	\$2,710	\$2,186
Harris County Flood Control	\$27,654	\$0	\$27,654	\$22,307
<b>Total</b>	<b>\$1,715,047</b>	<b>(\$924,564)</b>	<b>\$790,483</b>	<b>\$647,397</b>

\*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.

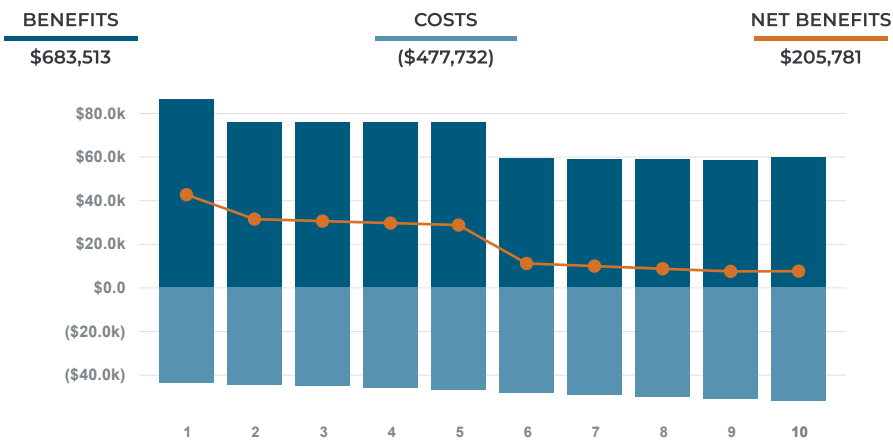
VALUE OF PUBLIC SUPPORT UNDER CONSIDERATION		
	NON-TAX INCENTIVE	TOTAL
City of Tomball	\$48,601	\$48,601
Harris County	\$0	\$0
Tomball ISD	\$0	\$0
Lone Star College	\$0	\$0
Port of Houston	\$0	\$0
Harris County ESD #8	\$0	\$0
Harris County Hospital District	\$0	\$0
Harris County Department of Education	\$0	\$0
Harris County Flood Control	\$0	\$0
<b>Total</b>	<b>\$48,601</b>	<b>\$48,601</b>

## 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	\$42,180	\$6,010	\$48,190
Real Property Taxes	\$46,039	\$0	\$46,039
FF&E Property Taxes	\$72,961	\$0	\$72,961
Inventory Property Taxes	\$35,009	\$0	\$35,009
New Residential Property Taxes	\$0	\$4,131	\$4,131
Hotel Occupancy Taxes	\$5,920	\$0	\$5,920
Building Permits and Fees	\$0	\$0	\$0
Utility Revenue	\$259,289	\$38,777	\$298,067
Utility Franchise Fees	\$14,892	\$2,218	\$17,110
Miscellaneous Taxes and User Fees	\$135,777	\$20,311	\$156,087
<b>Benefits Subtotal</b>	<b>\$612,066</b>	<b>\$71,447</b>	<b>\$683,513</b>
COSTS	PROJECT	HOUSEHOLDS	TOTAL
Cost of Government Services	(\$130,083)	(\$19,402)	(\$149,485)
Cost of Utility Services	(\$285,569)	(\$42,679)	(\$328,248)
<b>Costs Subtotal</b>	<b>(\$415,651)</b>	<b>(\$62,081)</b>	<b>(\$477,732)</b>
<b>Net Benefits</b>	<b>\$196,415</b>	<b>\$9,366</b>	<b>\$205,781</b>

Annual Fiscal Net Benefits for City of Tomball

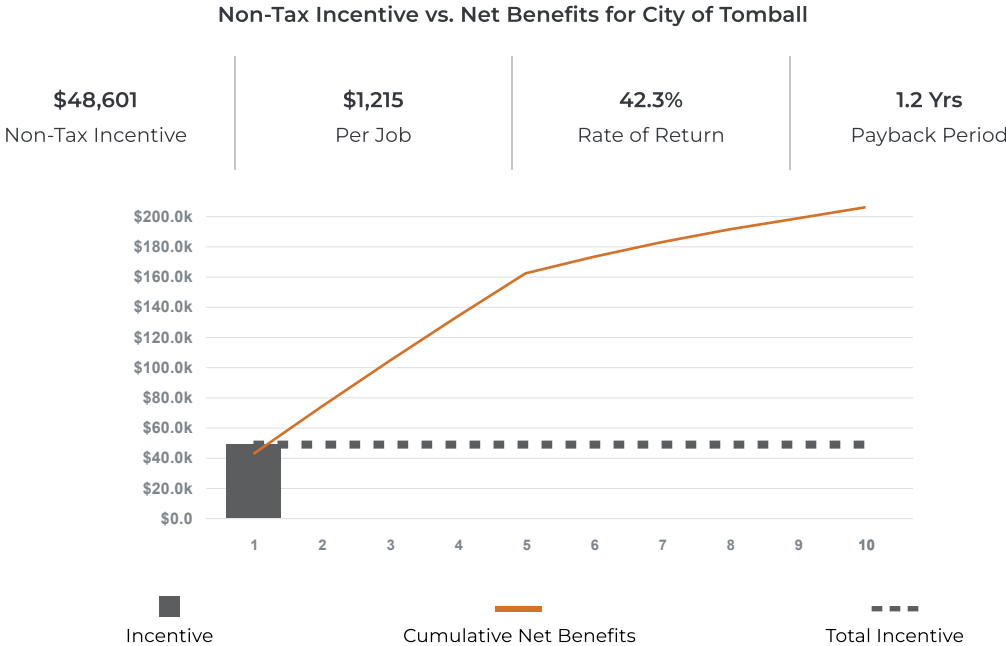




# City of Tomball Public Support

## Non-Tax Incentives

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.

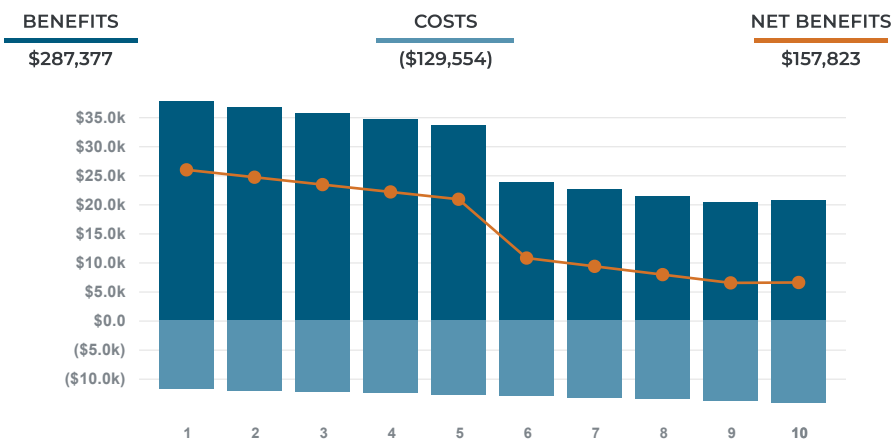


## Harris County Fiscal Impact

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	\$52,735	\$0	\$52,735
FF&E Property Taxes	\$83,573	\$0	\$83,573
Inventory Property Taxes	\$40,101	\$0	\$40,101
New Residential Property Taxes	\$0	\$41,169	\$41,169
Hotel Occupancy Taxes	\$1,691	\$0	\$1,691
Miscellaneous Taxes and User Fees	\$24,527	\$43,579	\$68,107
<b>Benefits Subtotal</b>	<b>\$202,628</b>	<b>\$84,749</b>	<b>\$287,377</b>
COSTS	PROJECT	HOUSEHOLDS	TOTAL
Cost of Government Services	(\$46,865)	(\$82,689)	(\$129,554)
<b>Costs Subtotal</b>	<b>(\$46,865)</b>	<b>(\$82,689)</b>	<b>(\$129,554)</b>
<b>Net Benefits</b>	<b>\$155,764</b>	<b>\$2,060</b>	<b>\$157,823</b>

Annual Fiscal Net Benefits for Harris County

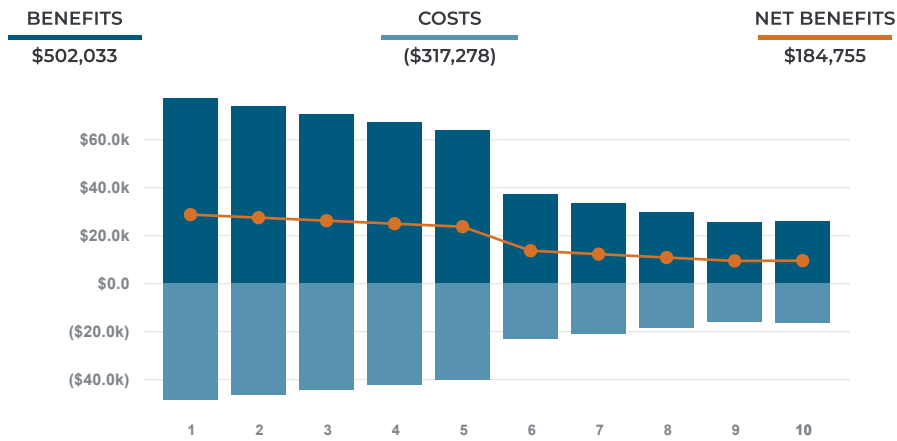


## Tomball ISD Fiscal Impact

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	\$145,481	\$0	\$145,481
FF&E Property Taxes	\$230,553	\$0	\$230,553
Inventory Property Taxes	\$110,627	\$0	\$110,627
New Residential Property Taxes	\$0	\$3,647	\$3,647
Addtl. State & Federal School Funding	\$0	\$11,725	\$11,725
<b>Benefits Subtotal</b>	<b>\$486,661</b>	<b>\$15,372</b>	<b>\$502,033</b>
COSTS	PROJECT	HOUSEHOLDS	TOTAL
Cost to Educate New Students	\$0	(\$9,854)	(\$9,854)
Reduction in State School Funding	(\$305,137)	(\$2,287)	(\$307,423)
<b>Costs Subtotal</b>	<b>(\$305,137)</b>	<b>(\$12,141)</b>	<b>(\$317,278)</b>
<b>Net Benefits</b>	<b>\$181,525</b>	<b>\$3,231</b>	<b>\$184,755</b>

Annual Fiscal Net Benefits for Tomball ISD

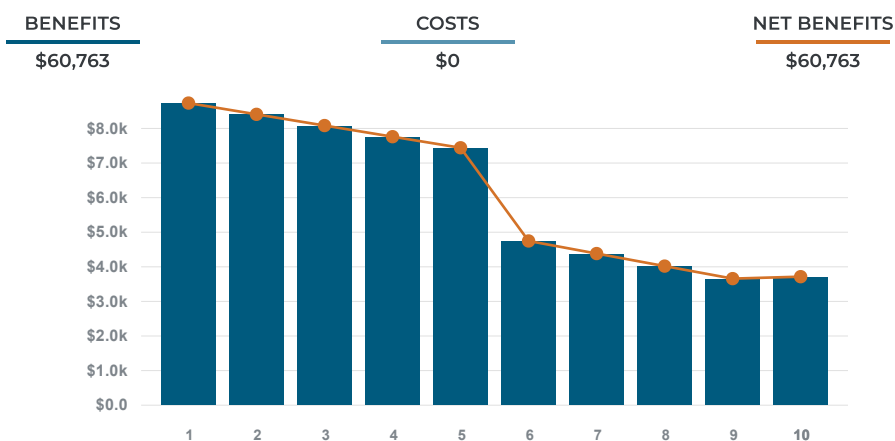


## Lone Star College Fiscal Impact

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	\$14,727	\$0	\$14,727
FF&E Property Taxes	\$23,339	\$0	\$23,339
Inventory Property Taxes	\$11,199	\$0	\$11,199
New Residential Property Taxes	\$0	\$11,497	\$11,497
<b>Benefits Subtotal</b>	<b>\$49,266</b>	<b>\$11,497</b>	<b>\$60,763</b>
COSTS	PROJECT	HOUSEHOLDS	TOTAL
None Estimated	\$0	\$0	\$0
<b>Costs Subtotal</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Net Benefits</b>	<b>\$49,266</b>	<b>\$11,497</b>	<b>\$60,763</b>

Annual Fiscal Net Benefits for Lone Star College

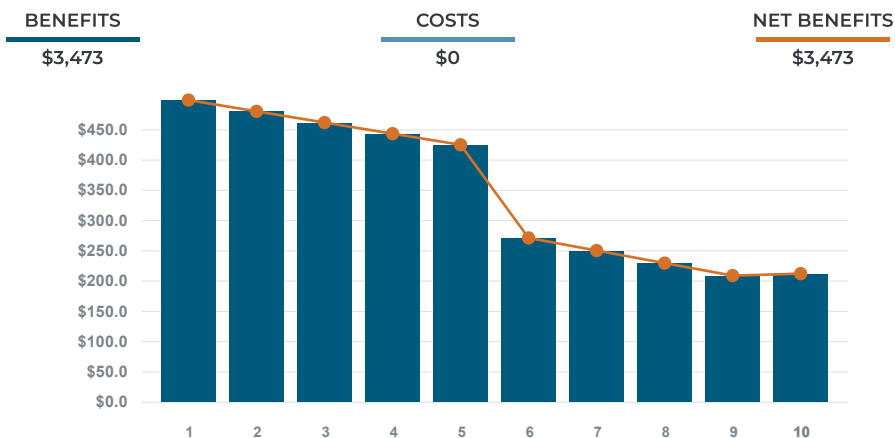


## Port of Houston Fiscal Impact

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	\$842	\$0	\$842
FF&E Property Taxes	\$1,334	\$0	\$1,334
Inventory Property Taxes	\$640	\$0	\$640
New Residential Property Taxes	\$0	\$657	\$657
<b>Benefits Subtotal</b>	<b>\$2,816</b>	<b>\$657</b>	<b>\$3,473</b>
COSTS	PROJECT	HOUSEHOLDS	TOTAL
None Estimated	\$0	\$0	\$0
<b>Costs Subtotal</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Net Benefits</b>	<b>\$2,816</b>	<b>\$657</b>	<b>\$3,473</b>

Annual Fiscal Net Benefits for Port of Houston

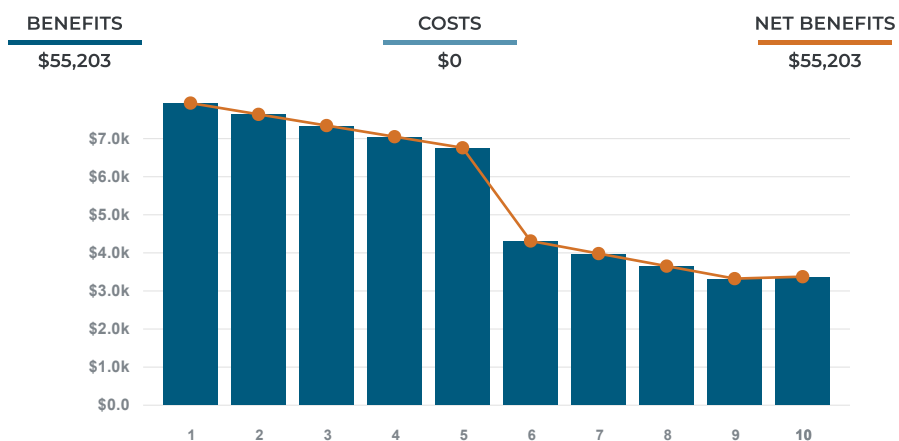


## Harris County ESD #8 Fiscal Impact

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	\$13,380	\$0	\$13,380
FF&E Property Taxes	\$21,204	\$0	\$21,204
Inventory Property Taxes	\$10,174	\$0	\$10,174
New Residential Property Taxes	\$0	\$10,445	\$10,445
<b>Benefits Subtotal</b>	<b>\$44,758</b>	<b>\$10,445</b>	<b>\$55,203</b>
COSTS	PROJECT	HOUSEHOLDS	TOTAL
None Estimated	\$0	\$0	\$0
<b>Costs Subtotal</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Net Benefits</b>	<b>\$44,758</b>	<b>\$10,445</b>	<b>\$55,203</b>

Annual Fiscal Net Benefits for Harris County ESD #8

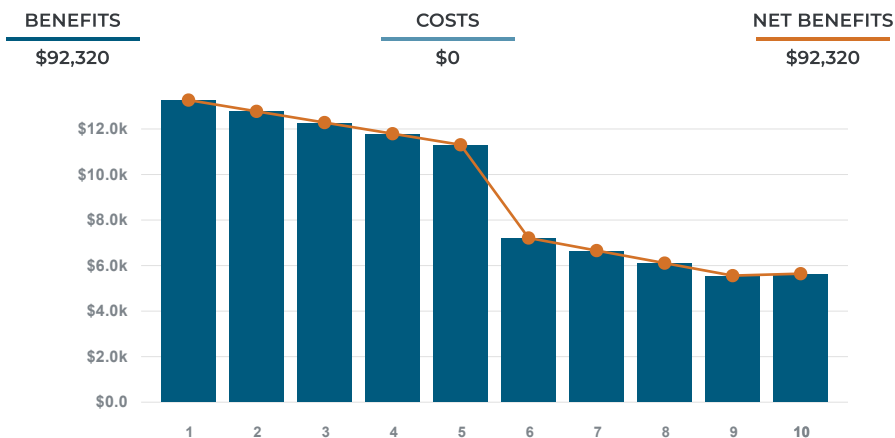


## Harris County Hospital District Fiscal Impact

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	\$22,376	\$0	\$22,376
FF&E Property Taxes	\$35,460	\$0	\$35,460
Inventory Property Taxes	\$17,015	\$0	\$17,015
New Residential Property Taxes	\$0	\$17,468	\$17,468
<b>Benefits Subtotal</b>	<b>\$74,851</b>	<b>\$17,468</b>	<b>\$92,320</b>
COSTS	PROJECT	HOUSEHOLDS	TOTAL
None Estimated	\$0	\$0	\$0
<b>Costs Subtotal</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Net Benefits</b>	<b>\$74,851</b>	<b>\$17,468</b>	<b>\$92,320</b>

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	\$657	\$0	\$657
FF&E Property Taxes	\$1,041	\$0	\$1,041
Inventory Property Taxes	\$499	\$0	\$499
New Residential Property Taxes	\$0	\$513	\$513
<b>Benefits Subtotal</b>	<b>\$2,197</b>	<b>\$513</b>	<b>\$2,710</b>
COSTS	PROJECT	HOUSEHOLDS	TOTAL
None Estimated	\$0	\$0	\$0
<b>Costs Subtotal</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Net Benefits</b>	<b>\$2,197</b>	<b>\$513</b>	<b>\$2,710</b>

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	\$6,703	\$0	\$6,703
FF&E Property Taxes	\$10,622	\$0	\$10,622
Inventory Property Taxes	\$5,097	\$0	\$5,097
New Residential Property Taxes	\$0	\$5,233	\$5,233
<b>Benefits Subtotal</b>	<b>\$22,421</b>	<b>\$5,233</b>	<b>\$27,654</b>
COSTS	PROJECT	HOUSEHOLDS	TOTAL
None Estimated	\$0	\$0	\$0
<b>Costs Subtotal</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Net Benefits</b>	<b>\$22,421</b>	<b>\$5,233</b>	<b>\$27,654</b>

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:

326112 PLASTICS PACKAGING FILM AND SHEET (INCLUDING LAMINATED) MANUFACTURING		CITY OF TOMBALL
Employment Multiplier	(Type II Direct Effect)	2.0339
Earnings Multiplier	(Type II Direct Effect)	2.0997

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](http://www.impactdatasource.com)



Scenario 2 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 Tex. Rev. Civ. Stat. Ann. Art. 5190.6, Section 4B, located in Harris County, Texas (the “TEDC”), and **Houston Poly Bag I, Ltd.** (the “Company”), 11726 Holderrieth Rd., Tomball, Texas, 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 owns a 5-acre tract of land within the City, located at 11726 Holderrieth Road, Tomball, Texas, 77375 (the “Property”), and more particularly described in Exhibit “A,” attached hereto and made a part hereof; and

**WHEREAS**, the Company proposes to expand its current operations at the Property, and as part of the process, plans to expend funds to add additional machinery and equipment and make other Improvements (as described in Exhibit “B”) necessary to expand its manufacturing process in order to increase its current level of production; and

**WHEREAS**, the Company also proposes to maintain the current one hundred and thirteen (113) jobs at its location and to create forty (40) new jobs in conjunction with the expansion of its business operations at the Property; and

**WHEREAS**, the TEDC agrees to fund a portion of the cost of the Improvements up to the amount of Forty-Eight Thousand Six Hundred and One Dollars (\$48,601) to assist in the purchase and installation of the equipment and the addition of the forty (40) new full-time employment positions 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 expansion of the business operations at the Property and the creation and retention of primary jobs at the Property;

**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.

The Company covenants and agrees that it will construct the Improvements and operate and maintain the proposed business on the Property for a term of at least five (5) years, and will for such term, except as provided by paragraph 4 hereof, maintain one hundred and thirteen (113) employees and create forty (40) new full-time jobs.

2.

The Company also covenants and agrees that construction of the Improvements and obtaining all necessary permits from the City shall occur within eighteen (18) months from the Effective Date of this Agreement. Extensions of these deadlines, due to any extenuating circumstance or uncontrollable delay, may be granted at the sole discretion of the Board of Directors of the TEDC.

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 Forty-Eight Thousand Six Hundred and One Dollars (\$48,601) to fund a portion of the cost of the Improvements and the addition of forty (40) new employees at the Company's business operations on the Property. 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: 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 or certification of completion for the Improvements to the Property; (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) certification that the Improvements have been constructed in accordance with the approved plans and specifications; (d) 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 (e) Proof of payment to all vendors, 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 vendors, 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  $\frac{1}{2}$  % per annum, within thirty (30) 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) (engaging in a pattern or practice of employing unauthorized aliens), 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  $\frac{1}{2}$  % per annum, within thirty (30) 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.

6.

This Agreement shall inure to the benefit of, and be binding upon, both 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.

## 7.

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:	Houston Poly Bag I, Ltd. 11726 Holderrieth Road Tomball, Texas 77375 Attn: William E. Sumner, III, General Manager

## 8.

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. Venue for any action arising under this Agreement shall lie exclusively in the state and federal courts in Harris County, Texas.

## 9.

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.



10.

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.

11.

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.

12.

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 \_\_\_\_\_ 2025 (the "Effective Date").

**HOUSTON POLY BAG I, LTD**

By: \_\_\_\_\_

Name: William E. Sumner, III

Title: General Manager

ATTEST:

By: \_\_\_\_\_

Name: Tiffani Wooten

Title: Assistant Director

**TOMBALL ECONOMIC DEVELOPMENT CORPORATION**

By: \_\_\_\_\_

Name: Gretchen Fagan

Title: President, Board of Directors

ATTEST:

By: \_\_\_\_\_

Name: Lisa Covington

Title: Vice President, Board of Directors

**ACKNOWLEDGMENT**

THE STATE OF TEXAS    §  
  §  
COUNTY OF HARRIS    §

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_ 2025, by William E. Sumner, III, General Manager, Houston Poly Bag I, Ltd., 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 4th day of March 2025, by Gretchen Fagan, 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)

**Exhibit "A"**

**Legal Description of Property**

HOUSTON POLY BAG PLAT, BEING A 5 ACRE TRACT IN THE C.N. PILLOT SURVEY, ABSTRACT NO. 632, IN TOMBALL, HARRIS COUNTY, TEXAS, RECORDED IN VOL. 335, PG. 108.

**Exhibit “B”****Description of Improvements**

Construction of an additional 4,000 sq. ft. of office space, adding 2 multi-layered extrusion machines, a 10 color CI Printing press and a unwind rewind system for converting out of line production.

# Regular Tomball EDC Agenda Item Data Sheet

Meeting Date: March 4, 2025

**Topic:**

Consideration and possible action by Tomball EDC to approve, as a Project of the Corporation, an agreement with Material and Design Solutions, LLC to make direct incentives to, or expenditures for, the creation or retention of primary jobs associated with the development of a corporate headquarters facility, located at 1515 S. Persimmon Street, Tomball, Texas 77375. The estimated amount of expenditures for such Project is \$85,902.00.

- Public Hearing

**Background:**

Material and Design Solutions, LLC (MDS) is a leading provider of thermoplastics and elastomeric sealing components with over 100 years of experience. They manufacture engineered plastic backup seal rings for the Oil & Gas Industry.

The company currently has two leased locations, one at 701 S. Persimmon Street in Tomball (manufacturing line), and the other at 6431 Cunningham Rd. in Houston (Corporate Headquarter). The company intends to purchase 8 acres of land at 1515 South Persimmon Street to combine both facilities into one. The proposed facility will be a 30,000 square-foot manufacturing and Corporate Headquarters facility for MDS.

Per the attached request letter, Tom Drye, Project Manager for MDS, is proposing to retain the twenty-five (25) Tomball employees, relocate the twenty-four (24) full time employees from the Houston location and plans to create an additional twelve (12) full time employees over the next 1-2 years.

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 Tomball economy is \$286,339.00. The proposed incentive is \$85,902.00, based upon 30% of the 5-year net benefit.

**Origination:** Andy Jorgensen, Owner, Material and Design Solutions, LLC

**Recommendation:** Staff recommends approval of the proposed Performance Agreement with Material and Design Solutions, 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 \_\_\_\_\_  
Staff Member-TEDC                      Date

Approved by \_\_\_\_\_  
Executive Director-TEDC                      Date



February 15, 2025

Dear TEDC Board of Directors,

On behalf of Material & Design Solutions, LLC, (MDS) we respectfully submit this request for grant funding from the TEDC for the completion of the 30,000 Ft<sup>2</sup> Manufacturing & Center of Excellence facility to be located at 1515 S. Persimmon St, Tomball, TX.

Our management, ownership, Construction and consultant team consists of the following individuals:

- Andy Jorgensen – President and Owner MDS. Over 10 years operational management experience running multiple sites in both Houston and Tomball.
- Mark Gough – V.P. of Operations MDS, Over 20 years experience in manufacturing and engineering.
- Steve Adkisson – President Adkisson Construction, the GC
- Tom Drye- President Olmsted Polymer Solutions, Project consultant for MDS. 40+ years industry experience

MDS is a growing business currently located at two leased sites:

1. HQ at 6431 Cunningham Rd, Houston, TX
2. Mfg at 701 S. Persimmon St, Suite 50, Tomball, TX

The purpose of the planned facility at 1515 S. Persimmon St, Tomball is to build a new combined facility that will house both locations and afford future expansion and employment opportunities.

Our business model supports the Oil & Gas industry via injection molding of highly engineered polymer into near-net shape parts that are then precisely machined under controlled environment via highly skilled CNC operators and equipment. Our tooling is also made in-house by our highly skilled tooling craftsman. We sustain our valued employees through generous benefits package, competitive compensation, and a safe-fair working environment.

Our high quality and delivery standards have grown our business over the years and maintained a dedicated customer base. Taking our business to the next level will be aided by a stream-lined one-roof operation, future business additions, and a new facility that showcases our expertise. Further, our Houston site employees are excited about the Tomball location as it's more convenient and shorter commute for most.

The 1515 S. Persimmon site will combine both current facilities into one. The 25 current Tomball employees & facility will only be a few blocks from the new site and will improve communication and collaboration with the 24 employees co-locating from the Houston site.





The construction phase is expected to start shortly after achieving the necessary zoning and permits, on or about April/May 2025. The first phase is to demo the exiting residence on the site. The actual construction and upfit is estimated to last 8 months with the Certificate of Occupancy January 2026.

We are seeking grant funding for construction of our project, including infrastructure, landscaping, tree retention per ordinance, utility development and services. We believe our business will contribute positively to the overall Tomball economic development plans and employment opportunities of the residents of Tomball. Please see the completed online Tomball EDC Data Sheet for further detailed information.

We welcome any questions you may have regarding Material & Design Solutions, LLC. Feel free to contact us at [www.MaterialandDesign.com](http://www.MaterialandDesign.com) We are grateful for this opportunity and look forward to receiving your assistance. Thank you for your consideration.

Sincerely,

A handwritten signature in black ink that reads "Tom Drye / AJ". The signature is written in a cursive, flowing style.

Tom Drye, Project Manager on behalf of MDS  
(865)805-7325  
[TDrye@MaterialandDesign.com](mailto:TDrye@MaterialandDesign.com)

Material & Design Solutions (MDS)  
Andy Jorgensen (Owner)  
(713)732-0020 Office  
(215)720-9076 cell  
[AJorgensen@MaterialandDesign.com](mailto:AJorgensen@MaterialandDesign.com)  
6431 Cunningham Rd  
Houston, TX 77041

# MDS - Impact Report - Expansion Only

## Scenario 1 with Client Data

**Project Type:** New Construction - Industrial

**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 disclaim any and all liability based on or relating to any information contained in, or errors or omissions from, this information or based on or relating to the use of this information.

## 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.

## Existing & Expanded Operations

The Project under analysis represents the expansion of an existing business. The table below illustrates the economic impact over the next 10 years including both the current and expanded operations.

ECONOMIC IMPACT OF CURRENT & EXPANDED OPERATIONS OVER 10 YEARS IN CITY OF TOMBALL			
	CURRENT OPERATIONS	EXPANSION	CURRENT & EXPANDED OPERATIONS
<b>JOBS</b>			
Direct	25.0	36.0	61.0
Spin-off	15.0	21.6	36.5
<b>Jobs Total</b>	<b>40.0</b>	<b>57.6</b>	<b>97.5</b>
<b>SALARIES</b>			
Direct	\$17,793,297	\$41,072,980	\$58,866,276
Spin-off	\$6,348,159	\$14,653,710	\$21,001,869
<b>Salaries Total</b>	<b>\$24,141,456</b>	<b>\$55,726,690</b>	<b>\$79,868,145</b>

The table below summarizes the fiscal impact, the net benefits for local taxing districts, over the next 10 years including both the current and expanded operations.

FISCAL IMPACT OF CURRENT & EXPANDED OPERATIONS OVER 10 YEARS			
NET BENEFITS			
	CURRENT OPERATIONS	EXPANSION	CURRENT & EXPANDED OPERATIONS
City of Tomball	\$260,402	\$568,740	\$829,143
Harris County	\$66,253	\$368,026	\$434,279
Tomball ISD	\$219,874	\$397,540	\$617,414
Lone Star College	\$22,210	\$114,127	\$136,338
Port of Houston	\$1,185	\$6,088	\$7,273
Harris County ESD #8	\$18,540	\$95,268	\$113,808
Harris County Hospital District	\$33,745	\$174,662	\$208,406
Harris County Department of Education	\$991	\$5,127	\$6,118
Harris County Flood Control	\$7,790	\$40,758	\$48,549
	<b>\$630,991</b>	<b>\$1,770,337</b>	<b>\$2,401,328</b>

The remainder of this report will focus on only the economic and fiscal impact associated with the expansion.

### 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	36.0	21.6	<b>57.6</b>
Annual Salaries/Wages at Full Ops (Yr 2)	\$3,925,662	\$1,400,568	<b>\$5,326,230</b>
Salaries/Wages over 10 Years	\$41,072,980	\$14,653,710	<b>\$55,726,690</b>
Taxable Sales/Purchases in City of Tomball	\$13,578,460	\$183,171	<b>\$13,761,632</b>

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 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	1.0	0.6	<b>1.6</b>
New residents in City of Tomball	2.5	1.5	<b>4.0</b>
New residential properties constructed in City of Tomball	0.1	0.1	<b>0.2</b>
New students to attend local school district	0.5	0.3	<b>0.8</b>

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	\$39,347	\$1,700,000	\$6,000,000	\$10,000	\$1,400,000	\$9,110,000	<b>\$9,149,347</b>
2	\$55,570	\$1,734,000	\$6,145,000	\$39,000	\$1,428,000	\$9,346,000	<b>\$9,401,570</b>
3	\$56,681	\$1,768,680	\$6,272,900	\$75,000	\$1,456,560	\$9,573,140	<b>\$9,629,821</b>
4	\$57,815	\$1,804,054	\$6,408,358	\$77,000	\$1,485,691	\$9,775,103	<b>\$9,832,917</b>
5	\$58,971	\$1,840,135	\$6,546,525	\$88,000	\$1,515,405	\$9,990,065	<b>\$10,049,036</b>
6	\$60,150	\$1,876,937	\$6,677,456	\$77,000	\$1,545,713	\$10,177,106	<b>\$10,237,257</b>
7	\$61,353	\$1,914,476	\$6,811,005	\$66,000	\$1,576,627	\$10,368,108	<b>\$10,429,462</b>
8	\$62,580	\$1,952,766	\$6,947,225	\$55,000	\$1,608,160	\$10,563,150	<b>\$10,625,731</b>
9	\$63,832	\$1,991,821	\$7,086,169	\$44,000	\$1,640,323	\$10,762,313	<b>\$10,826,146</b>
10	\$65,109	\$2,031,657	\$7,227,893	\$34,000	\$1,673,130	\$10,966,680	<b>\$11,031,788</b>

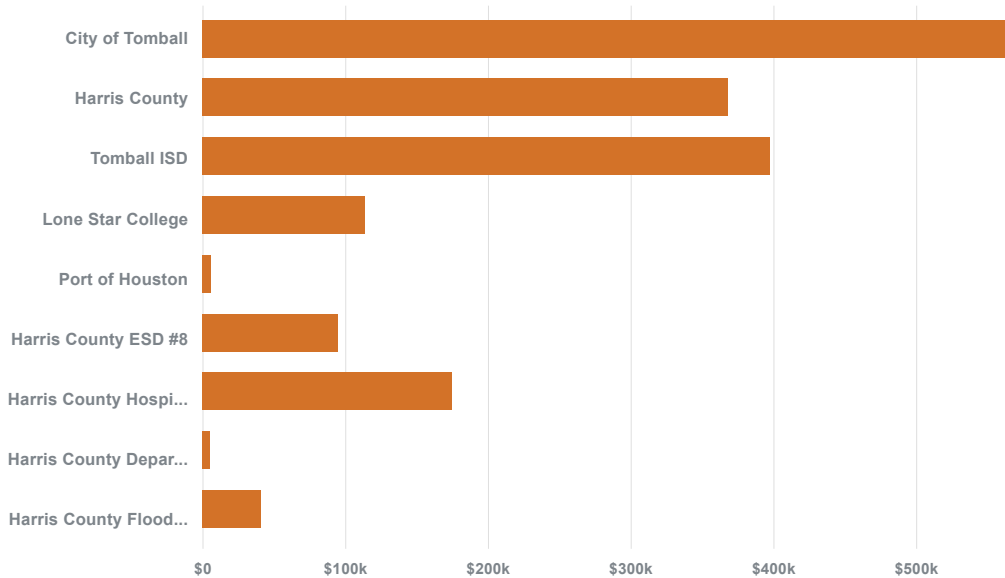
## Fiscal Impact Overview

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	\$971,865	(\$403,125)	\$568,740	\$441,345
Harris County	\$461,198	(\$93,172)	\$368,026	\$281,966
Tomball ISD	\$1,080,569	(\$683,029)	\$397,540	\$304,475
Lone Star College	\$114,127	\$0	\$114,127	\$87,384
Port of Houston	\$6,088	\$0	\$6,088	\$4,662
Harris County ESD #8	\$95,268	\$0	\$95,268	\$72,944
Harris County Hospital District	\$174,662	\$0	\$174,662	\$133,727
Harris County Department of Education	\$5,127	\$0	\$5,127	\$3,926
Harris County Flood Control	\$40,758	\$0	\$40,758	\$31,204
<b>Total</b>	<b>\$2,949,662</b>	<b>(\$1,179,326)</b>	<b>\$1,770,337</b>	<b>\$1,361,633</b>

\*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.

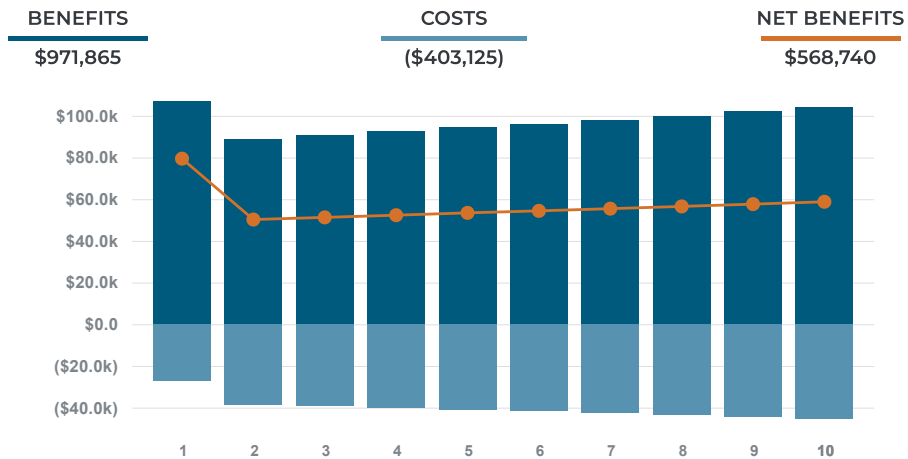
VALUE OF PUBLIC SUPPORT UNDER CONSIDERATION		
	NON-TAX INCENTIVE	TOTAL
City of Tomball	\$85,902	\$85,902
Harris County	\$0	\$0
Tomball ISD	\$0	\$0
Lone Star College	\$0	\$0
Port of Houston	\$0	\$0
Harris County ESD #8	\$0	\$0
Harris County Hospital District	\$0	\$0
Harris County Department of Education	\$0	\$0
Harris County Flood Control	\$0	\$0
<b>Total</b>	<b>\$85,902</b>	<b>\$85,902</b>

## 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	\$261,301	\$13,932	\$275,233
Real Property Taxes	\$248,551	\$0	\$248,551
FF&E Property Taxes	\$1,657	\$0	\$1,657
Inventory Property Taxes	\$44,965	\$0	\$44,965
New Residential Property Taxes	\$0	\$1,705	\$1,705
Hotel Occupancy Taxes	\$2,105	\$0	\$2,105
Building Permits and Fees	\$0	\$0	\$0
Utility Revenue	\$227,440	\$24,066	\$251,506
Utility Franchise Fees	\$13,062	\$1,377	\$14,439
Miscellaneous Taxes and User Fees	\$119,099	\$12,605	\$131,704
<b>Benefits Subtotal</b>	<b>\$918,181</b>	<b>\$53,684</b>	<b>\$971,865</b>
COSTS	PROJECT	HOUSEHOLDS	TOTAL
Cost of Government Services	(\$114,104)	(\$12,041)	(\$126,146)
Cost of Utility Services	(\$250,492)	(\$26,487)	(\$276,979)
<b>Costs Subtotal</b>	<b>(\$364,596)</b>	<b>(\$38,528)</b>	<b>(\$403,125)</b>
<b>Net Benefits</b>	<b>\$553,584</b>	<b>\$15,156</b>	<b>\$568,740</b>

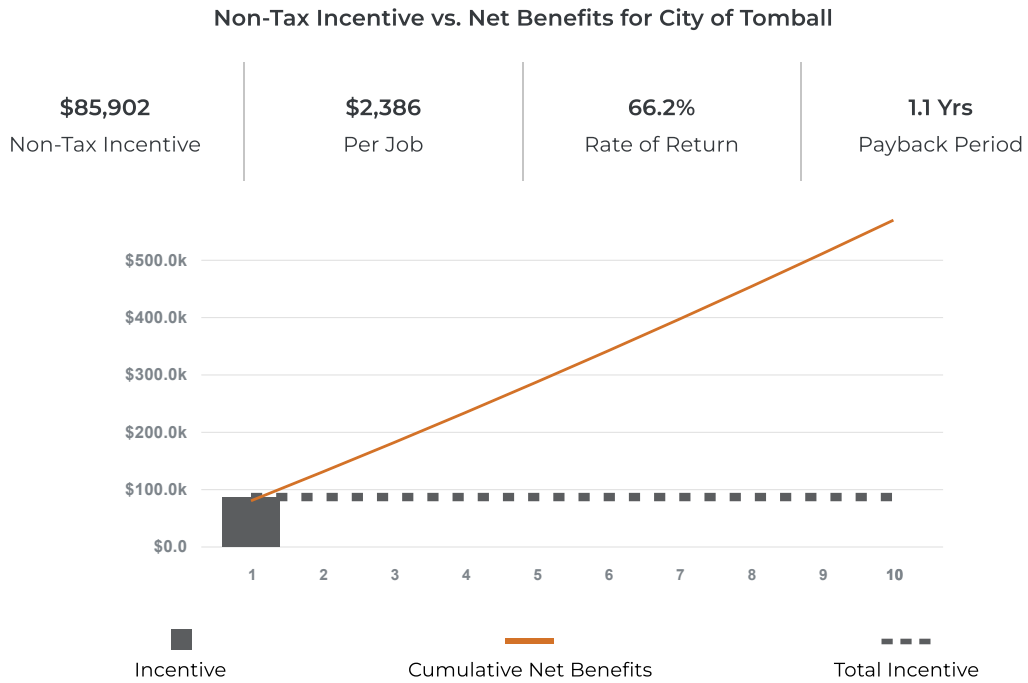
Annual Fiscal Net Benefits for City of Tomball



## City of Tomball Public Support

### Non-Tax Incentives

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.



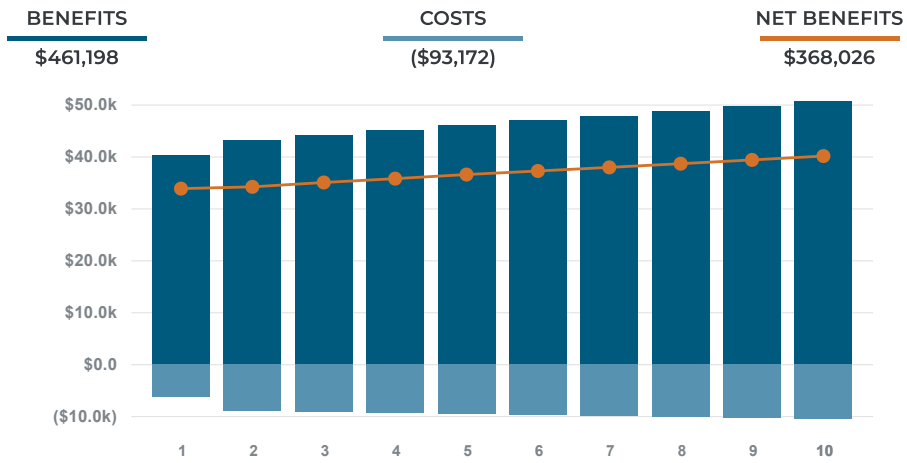


## Harris County Fiscal Impact

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	\$326,483	\$0	\$326,483
FF&E Property Taxes	\$2,177	\$0	\$2,177
Inventory Property Taxes	\$59,063	\$0	\$59,063
New Residential Property Taxes	\$0	\$23,919	\$23,919
Hotel Occupancy Taxes	\$601	\$0	\$601
Miscellaneous Taxes and User Fees	\$21,515	\$27,439	\$48,954
<b>Benefits Subtotal</b>	<b>\$409,840</b>	<b>\$51,358</b>	<b>\$461,198</b>
COSTS	PROJECT	HOUSEHOLDS	TOTAL
Cost of Government Services	(\$41,108)	(\$52,064)	(\$93,172)
<b>Costs Subtotal</b>	<b>(\$41,108)</b>	<b>(\$52,064)</b>	<b>(\$93,172)</b>
<b>Net Benefits</b>	<b>\$368,731</b>	<b>(\$706)</b>	<b>\$368,026</b>

Annual Fiscal Net Benefits for Harris County

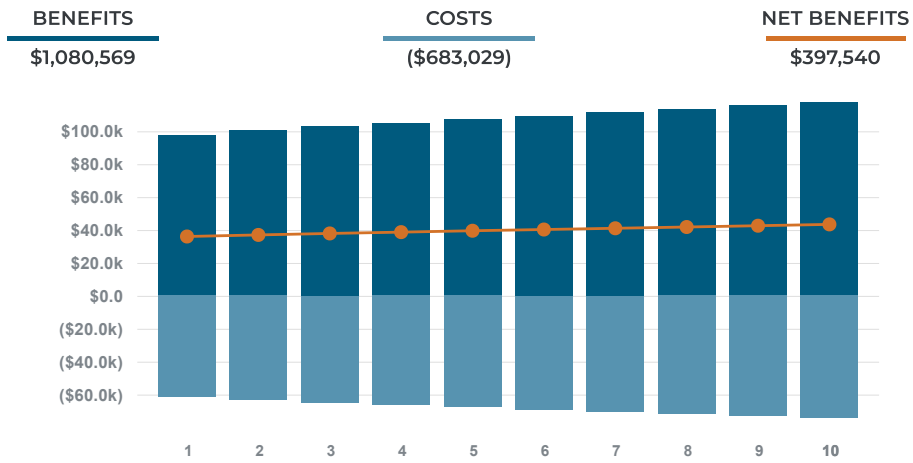


## Tomball ISD Fiscal Impact

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	\$902,619	\$0	\$902,619
FF&E Property Taxes	\$6,018	\$0	\$6,018
Inventory Property Taxes	\$163,291	\$0	\$163,291
New Residential Property Taxes	\$0	\$1,979	\$1,979
Addtl. State & Federal School Funding	\$0	\$6,661	\$6,661
<b>Benefits Subtotal</b>	<b>\$1,071,929</b>	<b>\$8,640</b>	<b>\$1,080,569</b>
COSTS	PROJECT	HOUSEHOLDS	TOTAL
Cost to Educate New Students	\$0	(\$6,467)	(\$6,467)
Reduction in State School Funding	(\$675,315)	(\$1,247)	(\$676,562)
<b>Costs Subtotal</b>	<b>(\$675,315)</b>	<b>(\$7,714)</b>	<b>(\$683,029)</b>
<b>Net Benefits</b>	<b>\$396,614</b>	<b>\$926</b>	<b>\$397,540</b>

Annual Fiscal Net Benefits for Tomball ISD

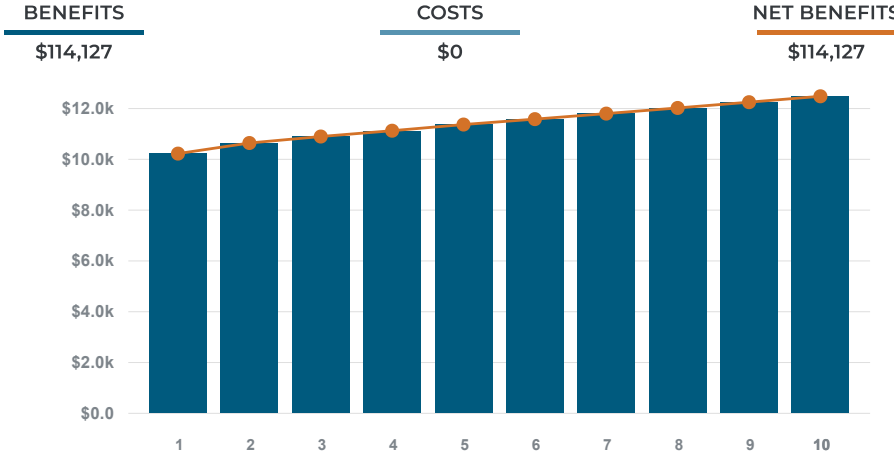


# Lone Star College Fiscal Impact

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	\$91,177	\$0	\$91,177
FF&E Property Taxes	\$608	\$0	\$608
Inventory Property Taxes	\$16,495	\$0	\$16,495
New Residential Property Taxes	\$0	\$5,848	\$5,848
<b>Benefits Subtotal</b>	<b>\$108,280</b>	<b>\$5,848</b>	<b>\$114,127</b>
COSTS	PROJECT	HOUSEHOLDS	TOTAL
None Estimated	\$0	\$0	\$0
<b>Costs Subtotal</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Net Benefits</b>	<b>\$108,280</b>	<b>\$5,848</b>	<b>\$114,127</b>

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	\$4,864	\$0	\$4,864
FF&E Property Taxes	\$32	\$0	\$32
Inventory Property Taxes	\$880	\$0	\$880
New Residential Property Taxes	\$0	\$312	\$312
<b>Benefits Subtotal</b>	<b>\$5,776</b>	<b>\$312</b>	<b>\$6,088</b>
COSTS	PROJECT	HOUSEHOLDS	TOTAL
None Estimated	\$0	\$0	\$0
<b>Costs Subtotal</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Net Benefits</b>	<b>\$5,776</b>	<b>\$312</b>	<b>\$6,088</b>

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	\$76,110	\$0	\$76,110
FF&E Property Taxes	\$507	\$0	\$507
Inventory Property Taxes	\$13,769	\$0	\$13,769
New Residential Property Taxes	\$0	\$4,881	\$4,881
<b>Benefits Subtotal</b>	<b>\$90,386</b>	<b>\$4,881</b>	<b>\$95,268</b>
COSTS	PROJECT	HOUSEHOLDS	TOTAL
None Estimated	\$0	\$0	\$0
<b>Costs Subtotal</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Net Benefits</b>	<b>\$90,386</b>	<b>\$4,881</b>	<b>\$95,268</b>

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	\$138,528	\$0	\$138,528
FF&E Property Taxes	\$924	\$0	\$924
Inventory Property Taxes	\$25,061	\$0	\$25,061
New Residential Property Taxes	\$0	\$10,149	\$10,149
<b>Benefits Subtotal</b>	<b>\$164,513</b>	<b>\$10,149</b>	<b>\$174,662</b>
COSTS	PROJECT	HOUSEHOLDS	TOTAL
None Estimated	\$0	\$0	\$0
<b>Costs Subtotal</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Net Benefits</b>	<b>\$164,513</b>	<b>\$10,149</b>	<b>\$174,662</b>

Annual Fiscal Net Benefits for Harris County Hospital District

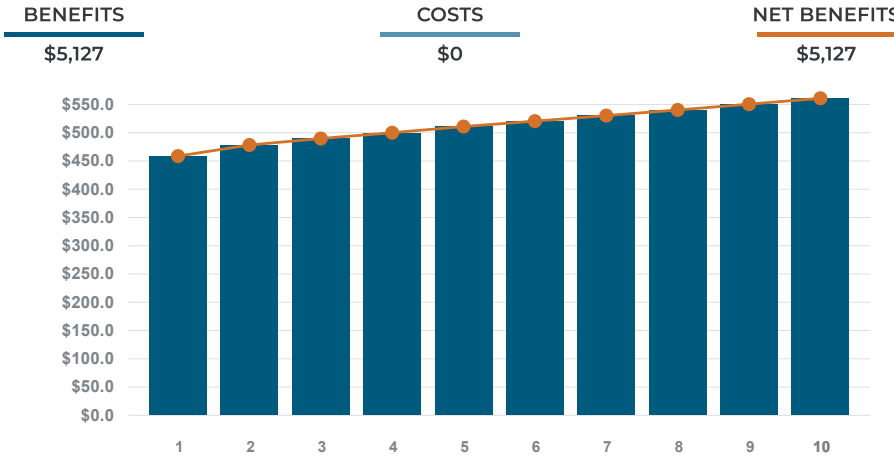


### Harris County Department of Education Fiscal Impact

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	\$4,067	\$0	\$4,067
FF&E Property Taxes	\$27	\$0	\$27
Inventory Property Taxes	\$736	\$0	\$736
New Residential Property Taxes	\$0	\$298	\$298
<b>Benefits Subtotal</b>	<b>\$4,829</b>	<b>\$298</b>	<b>\$5,127</b>
COSTS	PROJECT	HOUSEHOLDS	TOTAL
None Estimated	\$0	\$0	\$0
<b>Costs Subtotal</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Net Benefits</b>	<b>\$4,829</b>	<b>\$298</b>	<b>\$5,127</b>

Annual Fiscal Net Benefits for Harris County Department of Education

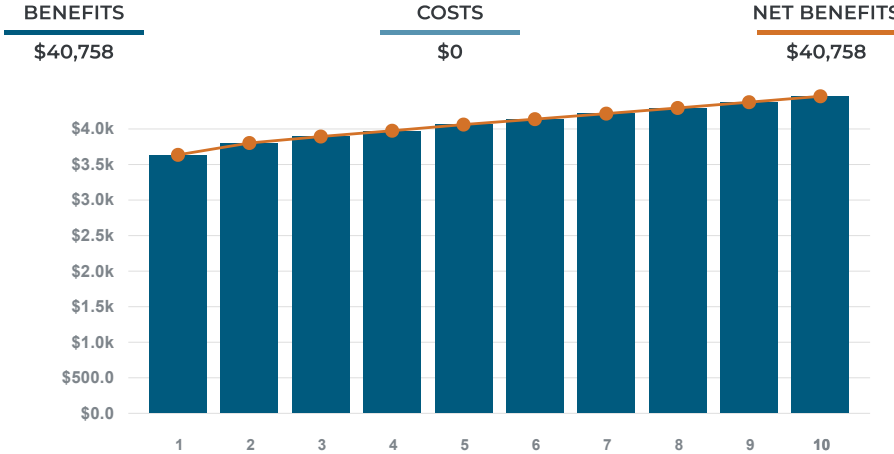


## Harris County Flood Control Fiscal Impact

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	\$31,980	\$0	\$31,980
FF&E Property Taxes	\$213	\$0	\$213
Inventory Property Taxes	\$5,785	\$0	\$5,785
New Residential Property Taxes	\$0	\$2,780	\$2,780
<b>Benefits Subtotal</b>	<b>\$37,978</b>	<b>\$2,780</b>	<b>\$40,758</b>
COSTS	PROJECT	HOUSEHOLDS	TOTAL
None Estimated	\$0	\$0	\$0
<b>Costs Subtotal</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Net Benefits</b>	<b>\$37,978</b>	<b>\$2,780</b>	<b>\$40,758</b>

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:

541990 ALL OTHER PROFESSIONAL, SCIENTIFIC, AND TECHNICAL SERVICES		CITY OF TOMBALL
Employment Multiplier	(Type II Direct Effect)	1.5989
Earnings Multiplier	(Type II Direct Effect)	1.3568

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](http://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 **Material Design Solutions, LLC.** (the “Company”), 701 South Persimmon Street, Suite 40, 45, 50, Tomball, Texas 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 proposed to develop a 8-acre tract of land within the City, located at 1515 S. Persimmon Street, Tomball, Texas 77375 (the “Property”), and more particularly described in Exhibit “A,” attached hereto and made a part hereof; and

**WHEREAS**, the Company plans to expend over Seven Million Dollars (\$7,000,000) to construct a 30,000 square foot Corporate Headquarters facility (the “Improvements”) more particularly described in Exhibit “B” attached hereto and made a part hereof; and

**WHEREAS**, the Company also proposes to maintain the current twenty-five (25) jobs at the Property and create thirty-six (36) new employment positions at the Property in conjunction with the expansion of its business operations at the Property; and

**WHEREAS**, the TEDC agrees to provide to the Company the sum of Eighty-Five Thousand, Nine Hundred and Two Dollars (\$85,902.00) to assist in the construction of the Improvements, the retention of twenty-five (25) full-time jobs, and the addition of the thirty-six (36) new full-time jobs 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 required or suitable for the promotion and development of new or expanded business enterprises at the Property; and

**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.

The Company covenants and agrees that it will construct the Improvements and operate and maintain the proposed business on the property for a term of at least five (5) years, and will for such term, except as provided by paragraph 4 hereof, maintain twenty-five (25) employees and create thirty-six (36) new jobs on the Property.

2.

The Company also covenants and agrees that construction of the Improvements, the addition of the thirty-six (36) new employees, and obtaining all necessary occupancy permits from the City shall occur within twenty-four (24) months from the Effective Date of this Agreement. Extensions of these deadlines, due to any extenuating circumstance or

uncontrollable delay, may be granted at the sole discretion of the Board of Directors of the TEDC.

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 the sum of Eighty-Five Thousand, Nine Hundred and Two Dollars (\$85,902.00) to fund a portion of the cost of the Improvements, the retention of twenty-five (25) full-time jobs, and the addition of the thirty-six (36) new employees to the Company's business operations on the property. 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; (b) proof that the Company has retained and added the number of employees indicated above to its business operations on the Property, as evidenced by copies of Texas Workforce Commission form C-3 or Internal Revenue Service Form 941; (c) verification 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; and, (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. In the event

the number of jobs originally projected is not met, the amount of the funding provided to the Company by the 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: Material Design Solutions, LLC  
1515 S. Persimmon Street  
Tomball, Texas 77375  
Attn: Andy Jorgensen, President and Owner

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 \_\_\_\_\_ 2025 (the "Effective Date").

**MATERIAL DESIGN SOLUTIONS, LLC**

By: \_\_\_\_\_  
Name: Andy Jorgensen  
Title: President and Owner

ATTEST:

By: \_\_\_\_\_  
Name: Tiffani Wooten  
Title: Assistant Director

**TOMBALL ECONOMIC DEVELOPMENT CORPORATION**

By: \_\_\_\_\_  
Name: Gretchen Fagan  
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 \_\_\_\_\_ 2025, by Andy Jorgensen, Owner of Material Design Solutions, 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 \_\_\_\_ day of \_\_\_\_\_ 2025, by \_\_\_\_\_, 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)

**Exhibit "A"**

**Legal Description of Property**

PT LT 366 & TR 367B (HOMESITE) TOMBALL OUTLOTS

PT LT 366 & TR 367B (AG-USE) TOMBALL OUTLOTS

**Exhibit “B”**  
**Description of Improvements**

Construction of a 30,000 sq. ft. office warehouse building at 1515 South Persimmon Street, in Tomball, TX.



# Regular Tomball EDC

## Agenda Item

### Data Sheet

Meeting Date: March 4, 2025

#### Topic:

Consideration and possible action by Tomball EDC to approve, as a Project of the Corporation, an agreement with Theis Lane and South Cherry Street, LLC to make direct incentives to, or expenditures for, assistance with infrastructure costs required or suitable for the promotion of new or expanded business enterprise related to the expansion of a retail development to be located at the corner of Theis Lane and Cherry Street, Tomball, Texas 77375. The estimated amount of expenditures for such Project is \$83,615.00.

- Public Hearing

#### Background:

The Tomball Economic Development Corporation has received a request from Matthew Lawrence, Managing Partner, Theis Lane and South Cherry Street, LLC, for assistance with infrastructure costs related to the construction of a commercial office/retail development.

Theis Lane and South Cherry Street, LLC is a project of the parent company, Lone Star Development, which builds and manages first-class buildings and properties with above industry standard amenities. Currently, Lone Star Development owns and manages over 150,000 square feet of office/warehouse space in the Houston area.

The development will consist of two standalone buildings, totaling 17,177 square feet. The first building will be approximately 8,403 square-foot and will feature 5,000 sq. ft. of built-out boutique salons and fully serviced office suites. The second building will be 8,774 sq. ft. that is designed to accommodate a diverse range of businesses, ideal for restaurants, medical offices, ice cream shops, and businesses seeking high visibility office space. The projected capital investment for the project is \$4,975,000.00.

Targeted infrastructure that will promote the development and expansion of business enterprise is a permissible project as outlined in Texas Economic Development Legislation. If this project is approved, it will go to the Tomball City Council for final approval by resolution at two separate readings.

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 Tomball's economy is \$284,284.00.

If the agreement between the TEDC and Theis Lane and South Cherry Street, LLC is approved as a Project of the Corporation, the grant funding amount will not exceed \$83,615, based on 7% of the actual expenditures for the eligible infrastructure improvements.

**Origination:** Matthew Lawrence, Managing Partner, Theis Lane and South Cherry Street, LLC





February 12, 2025

Dear TEDC Board of Directors,

On behalf of Lone Star Development, we respectfully submit this request for grant funding from the TEDC for the completion of the 17,100 square foot Shops at Theis and Cherry Retail development. Our development, management and ownership team consist of the following individuals:

- Matthew Lawrence – over 15 years business operational management skills both here in the United States and in Europe
- William Lawrence – over 40 years entrepreneurial experience in the restaurant and car wash industry
- Jason Snell – over 25 years' experience and former owner/operating partner of one of Houston's largest independent construction firms.

Currently, Lone Star Development owns and manages over 150,000 square feet of office/warehouse space in the Houston metropolitan area. Lone Star Development's business model entails building and managing first-class buildings and properties with above industry standard amenities and construction techniques and materials, while commanding rents that are consistent with current market rates. This strategy results in their history of zero (0) availability at all of their properties.

Lone Star Development takes the position that tenants are business partners, and that by working to assist each other in the accomplishment of their business objectives, together they can provide the businesses and their employees the safest, most secure working conditions that serve their constituencies more professionally than their competitors.

Our mission in developing the retail center at the corner of Theis Lane and S Cherry Street is to serve the growing needs of the surrounding neighborhoods by providing a modern, state-of-the-art retail destination. This development will consist of two 8,000-square-foot buildings designed to accommodate a diverse range of businesses.

The retail center will feature 5,000 square feet of built-out boutique salons and fully serviced office suites, offering professionals a turnkey solution to establish or expand their businesses. Additionally, it will include 13,000 square feet of prime retail space, ideal for restaurants, medical offices, ice cream shops, and businesses seeking high-visibility office space. Designed with



architectural appeal on all sides, enhanced landscaping, and ample parking, this project will set a new standard for retail and business spaces in Tomball. Conveniently located within the City of Tomball, the property is less than two miles south of downtown Tomball. and is just minutes from the Grand Parkway and State Highway 249.

The construction phase of this project is anticipated to commence in April and is scheduled for completion approximately 8 months later.

We are seeking grant funding for approved installations at our project, including infrastructure, landscaping, and development Services. Our current estimated budget is as follows:

Building Construction Cost	\$ 2,319,773
Site	\$550,000
Total Tenant Improvements	\$ 1,041,000
Architectural Design and Engineering	\$ 90,000
Landscaping	\$ 70,000
Project Management	\$ 350,000
Utility Impact Fees	\$ 70,000
Construction Materials Testing	\$ 25,000
Permit/Plan Review	\$ 50,000
CPE Encroachment	\$ 25,000
Legal	\$ 25,000
Graphics and Signage	\$ 7,500
Geotechnical Investigation	\$ 6,300
Surveyor	\$ 3,220
<b>TOTAL DEVELOPMENT COSTS</b>	<b>\$5,600,118</b>

Based on our research and that of the major home development companies, we believe that the area known as the northwest corridor of Houston (more specifically Tomball) will continue to experience significant growth in residential development, thereby enhancing the need for this type of development to support the growing business community. The Shops at Theis and Cherry





will help facilitate that growth and provide new and existing residents of the growing area with flexible, clean, and affordable spaces for them to locate their businesses.

For further assistance in your consideration efforts, we have completed the online Tomball EDC Data Sheet.

We welcome any questions you may have about the Hufsmith-Korhville Business Park. Please feel free to contact us at [development@lonestardevelopment.com](mailto:development@lonestardevelopment.com). We are grateful for this opportunity and look forward to receiving your assistance. Thank you for your consideration.

Sincerely,

A handwritten signature in black ink that reads "Matthew Lawrence". The signature is written in a cursive, flowing style.

Matt Lawrence

# Lone Star Development - Impact Report

## Scenario 2 with Client Data

**Project Type:** New Construction - Industrial

**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 disclaim any and all liability based on or relating to any information contained in, or errors or omissions from, this information or based on or relating to the use of this information.

## 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	113.0	0	<b>113.0</b>
Annual Salaries/Wages at Full Ops (Yr 5)	\$8,317,409	\$0	<b>\$8,317,409</b>
Salaries/Wages over 10 Years	\$76,637,852	\$0	<b>\$76,637,852</b>
Taxable Sales/Purchases in City of Tomball	\$21,885,589	\$0	<b>\$21,885,589</b>

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	3.1	0	<b>3.1</b>
New residents in City of Tomball	7.9	0	<b>7.9</b>
New residential properties constructed in City of Tomball	0.5	0	<b>0.5</b>
New students to attend local school district	1.5	0	<b>1.5</b>

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	\$42,592	\$525,000	\$3,500,000	\$950,000	\$0	\$4,975,000	<b>\$5,017,592</b>
2	\$86,887	\$535,500	\$3,570,000	\$855,000	\$0	\$4,960,500	<b>\$5,047,387</b>
3	\$98,472	\$546,210	\$3,641,400	\$760,000	\$0	\$4,947,610	<b>\$5,046,082</b>
4	\$108,477	\$557,134	\$3,714,228	\$665,000	\$0	\$4,936,362	<b>\$5,044,839</b>
5	\$115,769	\$568,277	\$3,788,513	\$570,000	\$0	\$4,926,789	<b>\$5,042,559</b>
6	\$118,085	\$579,642	\$3,864,283	\$475,000	\$0	\$4,918,925	<b>\$5,037,010</b>
7	\$120,446	\$591,235	\$3,941,568	\$380,000	\$0	\$4,912,804	<b>\$5,033,250</b>
8	\$122,855	\$603,060	\$4,020,400	\$285,000	\$0	\$4,908,460	<b>\$5,031,315</b>
9	\$125,312	\$615,121	\$4,100,808	\$190,000	\$0	\$4,905,929	<b>\$5,031,241</b>
10	\$127,819	\$627,424	\$4,182,824	\$190,000	\$0	\$5,000,248	<b>\$5,128,066</b>

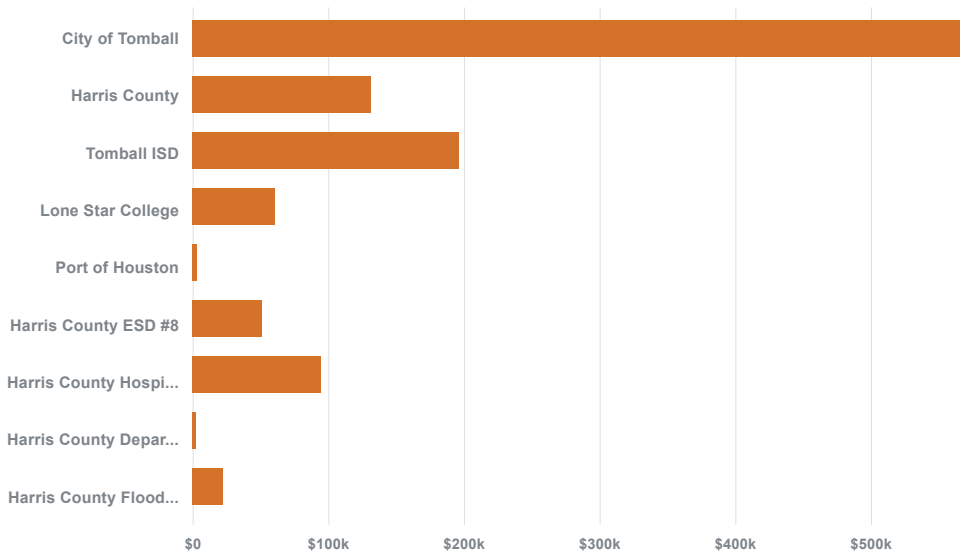
## Fiscal Impact Overview

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	\$1,710,422	(\$1,140,237)	\$570,185	\$441,122
Harris County	\$322,525	(\$190,648)	\$131,877	\$103,138
Tomball ISD	\$541,948	(\$345,584)	\$196,364	\$151,627
Lone Star College	\$61,015	\$0	\$61,015	\$46,953
Port of Houston	\$3,255	\$0	\$3,255	\$2,505
Harris County ESD #8	\$50,932	\$0	\$50,932	\$39,194
Harris County Hospital District	\$94,403	\$0	\$94,403	\$72,614
Harris County Department of Education	\$2,771	\$0	\$2,771	\$2,132
Harris County Flood Control	\$22,382	\$0	\$22,382	\$17,205
<b>Total</b>	<b>\$2,809,654</b>	<b>(\$1,676,469)</b>	<b>\$1,133,185</b>	<b>\$876,491</b>

\*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.

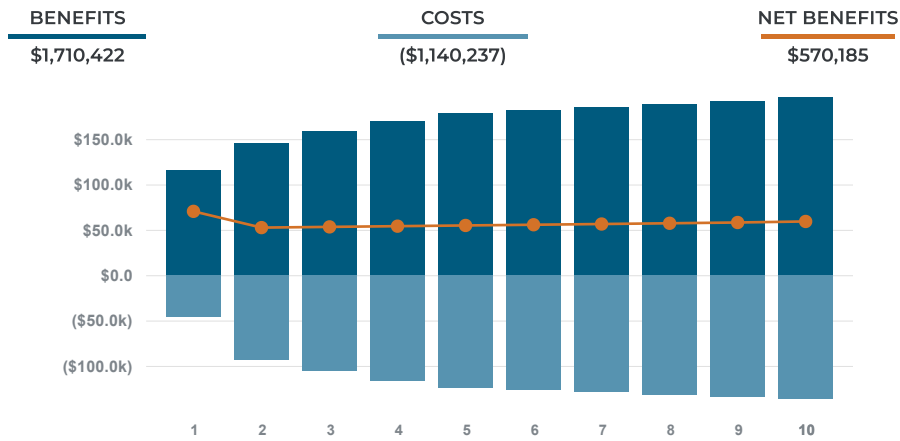
VALUE OF PUBLIC SUPPORT UNDER CONSIDERATION		
	NON-TAX INCENTIVE	TOTAL
City of Tomball	\$83,615	\$83,615
Harris County	\$0	\$0
Tomball ISD	\$0	\$0
Lone Star College	\$0	\$0
Port of Houston	\$0	\$0
Harris County ESD #8	\$0	\$0
Harris County Hospital District	\$0	\$0
Harris County Department of Education	\$0	\$0
Harris County Flood Control	\$0	\$0
<b>Total</b>	<b>\$83,615</b>	<b>\$83,615</b>

## 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	\$418,552	\$19,159	\$437,712
Real Property Taxes	\$129,274	\$0	\$129,274
FF&E Property Taxes	\$15,605	\$0	\$15,605
Inventory Property Taxes	\$0	\$0	\$0
New Residential Property Taxes	\$0	\$3,129	\$3,129
Hotel Occupancy Taxes	\$0	\$0	\$0
Building Permits and Fees	\$0	\$0	\$0
Utility Revenue	\$667,200	\$44,154	\$711,354
Utility Franchise Fees	\$38,319	\$2,526	\$40,845
Miscellaneous Taxes and User Fees	\$349,378	\$23,127	\$372,505
<b>Benefits Subtotal</b>	<b>\$1,618,328</b>	<b>\$92,094</b>	<b>\$1,710,422</b>
COSTS	PROJECT	HOUSEHOLDS	TOTAL
Cost of Government Services	(\$334,727)	(\$22,092)	(\$356,819)
Cost of Utility Services	(\$734,822)	(\$48,596)	(\$783,418)
<b>Costs Subtotal</b>	<b>(\$1,069,549)</b>	<b>(\$70,688)</b>	<b>(\$1,140,237)</b>
<b>Net Benefits</b>	<b>\$548,779</b>	<b>\$21,406</b>	<b>\$570,185</b>

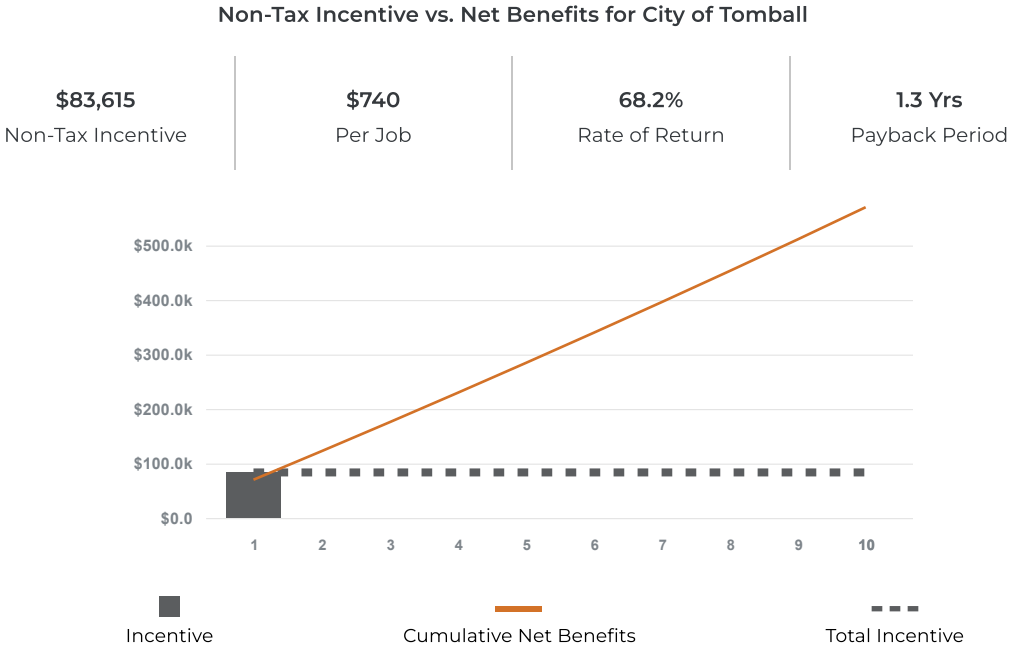
Annual Fiscal Net Benefits for City of Tomball



# City of Tomball Public Support

## Non-Tax Incentives

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.

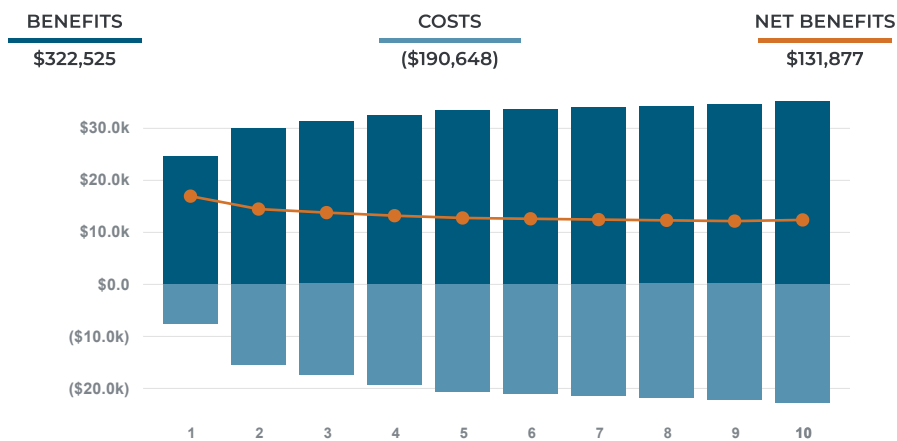


## Harris County Fiscal Impact

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	\$169,807	\$0	\$169,807
FF&E Property Taxes	\$20,497	\$0	\$20,497
Inventory Property Taxes	\$0	\$0	\$0
New Residential Property Taxes	\$0	\$32,185	\$32,185
Hotel Occupancy Taxes	\$0	\$0	\$0
Miscellaneous Taxes and User Fees	\$63,114	\$36,921	\$100,035
<b>Benefits Subtotal</b>	<b>\$253,418</b>	<b>\$69,106</b>	<b>\$322,525</b>
COSTS	PROJECT	HOUSEHOLDS	TOTAL
Cost of Government Services	(\$120,592)	(\$70,056)	(\$190,648)
<b>Costs Subtotal</b>	<b>(\$120,592)</b>	<b>(\$70,056)</b>	<b>(\$190,648)</b>
<b>Net Benefits</b>	<b>\$132,826</b>	<b>(\$950)</b>	<b>\$131,877</b>

Annual Fiscal Net Benefits for Harris County



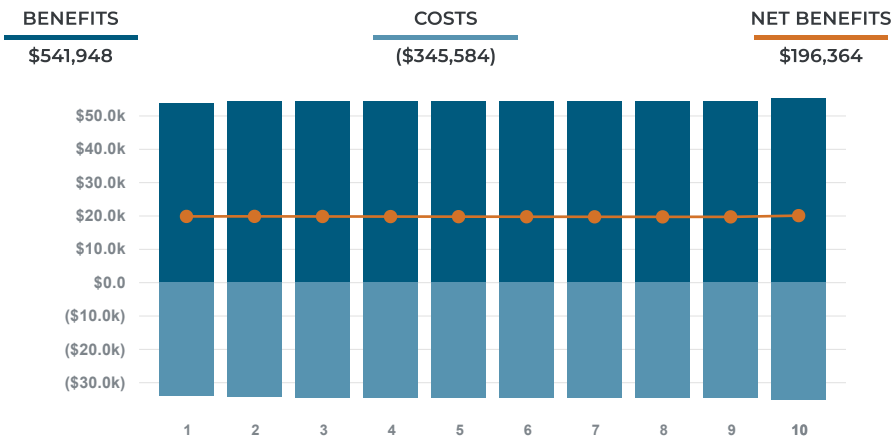


## Tomball ISD Fiscal Impact

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	\$469,462	\$0	\$469,462
FF&E Property Taxes	\$56,669	\$0	\$56,669
Inventory Property Taxes	\$0	\$0	\$0
New Residential Property Taxes	\$0	\$3,623	\$3,623
Addtl. State & Federal School Funding	\$0	\$12,194	\$12,194
<b>Benefits Subtotal</b>	<b>\$526,130</b>	<b>\$15,818</b>	<b>\$541,948</b>
COSTS	PROJECT	HOUSEHOLDS	TOTAL
Cost to Educate New Students	\$0	(\$11,839)	(\$11,839)
Reduction in State School Funding	(\$331,462)	(\$2,283)	(\$333,745)
<b>Costs Subtotal</b>	<b>(\$331,462)</b>	<b>(\$14,122)</b>	<b>(\$345,584)</b>
<b>Net Benefits</b>	<b>\$194,668</b>	<b>\$1,696</b>	<b>\$196,364</b>

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	\$47,422	\$0	\$47,422
FF&E Property Taxes	\$5,724	\$0	\$5,724
Inventory Property Taxes	\$0	\$0	\$0
New Residential Property Taxes	\$0	\$7,869	\$7,869
<b>Benefits Subtotal</b>	<b>\$53,146</b>	<b>\$7,869</b>	<b>\$61,015</b>
COSTS	PROJECT	HOUSEHOLDS	TOTAL
None Estimated	\$0	\$0	\$0
<b>Costs Subtotal</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Net Benefits</b>	<b>\$53,146</b>	<b>\$7,869</b>	<b>\$61,015</b>

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	\$2,530	\$0	\$2,530
FF&E Property Taxes	\$305	\$0	\$305
Inventory Property Taxes	\$0	\$0	\$0
New Residential Property Taxes	\$0	\$420	\$420
<b>Benefits Subtotal</b>	<b>\$2,835</b>	<b>\$420</b>	<b>\$3,255</b>
COSTS	PROJECT	HOUSEHOLDS	TOTAL
None Estimated	\$0	\$0	\$0
<b>Costs Subtotal</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Net Benefits</b>	<b>\$2,835</b>	<b>\$420</b>	<b>\$3,255</b>

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	\$39,586	\$0	\$39,586
FF&E Property Taxes	\$4,778	\$0	\$4,778
Inventory Property Taxes	\$0	\$0	\$0
New Residential Property Taxes	\$0	\$6,568	\$6,568
<b>Benefits Subtotal</b>	<b>\$44,364</b>	<b>\$6,568</b>	<b>\$50,932</b>
COSTS	PROJECT	HOUSEHOLDS	TOTAL
None Estimated	\$0	\$0	\$0
<b>Costs Subtotal</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Net Benefits</b>	<b>\$44,364</b>	<b>\$6,568</b>	<b>\$50,932</b>

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	\$72,050	\$0	\$72,050
FF&E Property Taxes	\$8,697	\$0	\$8,697
Inventory Property Taxes	\$0	\$0	\$0
New Residential Property Taxes	\$0	\$13,656	\$13,656
<b>Benefits Subtotal</b>	<b>\$80,747</b>	<b>\$13,656</b>	<b>\$94,403</b>
COSTS	PROJECT	HOUSEHOLDS	TOTAL
None Estimated	\$0	\$0	\$0
<b>Costs Subtotal</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Net Benefits</b>	<b>\$80,747</b>	<b>\$13,656</b>	<b>\$94,403</b>

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	\$2,115	\$0	\$2,115
FF&E Property Taxes	\$255	\$0	\$255
Inventory Property Taxes	\$0	\$0	\$0
New Residential Property Taxes	\$0	\$401	\$401
<b>Benefits Subtotal</b>	<b>\$2,370</b>	<b>\$401</b>	<b>\$2,771</b>
COSTS	PROJECT	HOUSEHOLDS	TOTAL
None Estimated	\$0	\$0	\$0
<b>Costs Subtotal</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Net Benefits</b>	<b>\$2,370</b>	<b>\$401</b>	<b>\$2,771</b>

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	\$16,633	\$0	\$16,633
FF&E Property Taxes	\$2,008	\$0	\$2,008
Inventory Property Taxes	\$0	\$0	\$0
New Residential Property Taxes	\$0	\$3,741	\$3,741
<b>Benefits Subtotal</b>	<b>\$18,641</b>	<b>\$3,741</b>	<b>\$22,382</b>
COSTS	PROJECT	HOUSEHOLDS	TOTAL
None Estimated	\$0	\$0	\$0
<b>Costs Subtotal</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Net Benefits</b>	<b>\$18,641</b>	<b>\$3,741</b>	<b>\$22,382</b>

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:

		CITY OF TOMBALL
Employment Multiplier	(Type II Direct Effect)	1.0
Earnings Multiplier	(Type II Direct Effect)	1.0

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](http://www.impactdatasource.com)



Scenario 2 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 Tex. Rev. Civ. Stat. Ann. Art. 5190.6, Section 4B, located in Harris County, Texas (the “TEDC”), and **Theis Lane and South Cherry Street, LLC**. (the “Company”), 16023 Rudgewick Lane, Spring, TX 77379.

**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 develop a 1.899-acre tract of land within the City, located at the corner of Theis Lane and South Cherry Street, Tomball, Texas 77375 (the “Property”), more particularly described in Exhibit “A,” attached hereto and made a part hereof; and

**WHEREAS**, the Company plans to expend over Four Million Dollars (\$4,000,000) to construct a 8,403 square-foot and a 8,774 square-foot commercial building and related site improvements (the “Improvements”) on the site, more particularly described in Exhibit “B,” attached hereto and made a part hereof; and

**WHEREAS**, the Board of Directors of the TEDC has determined that the Project will stimulate growth and development, and will promote new and expanded business development in the City and the surrounding area; and

**WHEREAS**, the TEDC agrees to provide to the Company the sum of Eighty-Three Thousand Six Hundred and Fifteen Dollars (\$83,615.00), or an amount equal to up to seven percent (7%) of actual construction costs if less than the sum stated above, to assist in the construction of infrastructure necessary to promote and develop new business enterprises on the Property. The infrastructure found by the Board of Directors of TEDC to be required to develop the Property are certain drainage facilities and related improvements, site improvements, water, sanitary sewer, gas, and electric utilities to the exterior of the buildings (the “Infrastructure Improvements”), identified and described in Exhibit “C,” attached hereto and made a part hereof; and

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

**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.

The Company covenants and agrees that it will construct and maintain on the Property a 8,403 square-foot and a 8,774 square-foot commercial building (the “Improvements”) identified and described in Exhibit “B,” attached hereto and made a part hereof. In conjunction with the development of the Property, the Company further agrees to construct the Improvements contemplated by this Agreement, in accordance with the requirements of the ordinances of the

City and the plans and specifications approved by the City. The Company further represents and agrees that it will certify the costs of the construction of such Infrastructure Improvements to the TEDC prior to construction.

2.

Construction of the Improvements on the Property, including construction of the Infrastructure Improvements, must commence within 180 days from the date of this Agreement (the “Start Date”), and the Company shall notify the TEDC of such Start Date. The construction of the Improvements to the Property, including construction of the Infrastructure Improvements, shall be completed, and all necessary occupancy permits from the City shall be obtained within eighteen (18) months from the Effective Date of this agreement. Extensions of these deadlines due to extenuating circumstances or uncontrollable delay may be granted by the Board of Directors of the TEDC at its sole discretion.

3.

This Agreement shall become enforceable upon the Effective Date and shall remain in effect for five (5) years, unless terminated or cancelled earlier (the “Term”).

4.

By the end of the Term, the Company shall provide evidence to the TEDC that the Improvements are directly responsible for the creation of thirty (30) jobs in the City. The Company further covenants and agrees that the Company or any owner or leasee of the Improvements 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 under the law to be employed in that manner in the United States.

## 5.

In consideration of the Company's representations, promises, and covenants, TEDC agrees to reimburse the Company for the actual cost of the Infrastructure Improvements up to the amount of Eighty-Three Thousand Six Hundred and Fifteen Dollars (\$83,615.00), or an amount equal to seven percent (7%) of actual construction costs if less than the sum stated above upon completion of construction and occupancy of each commercial space. The TEDC agrees to reimburse the Company for such amount within thirty (30) days of receipt of a letter from the Company requesting such payment and including: (a) certification of the cost of constructing the Infrastructure Improvements; (b) a copy of the City's occupancy permit for the improvements to the Property; (c) certification that the Infrastructure Improvements have been constructed in accordance with the approved plans and specifications; (d) 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 (e) Proof of payment to all vendors, 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 vendors, contractors and subcontractors.

## 6.

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 one-half percent ( $\frac{1}{2}\%$ ) per annum, within thirty (30) days after the TEDC notifies the

Company of the default. It is further understood and agreed by the parties that if the Company, or any owner or lessee of the Improvements, 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 one-half percent ( $\frac{1}{2}\%$ ) per annum, within thirty (30) 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.

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, lessees, affiliates, and subsidiaries, and shall remain in force whether the Company sells, leases, 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: This Lane and South Cherry Street, LLC  
16023 Rudgewick Lane  
Spring, Texas 77379  
Attn: William J. Lawrence, 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 \_\_\_\_\_ 2025 (the "Effective Date").

**THEIS LANE AND SOUTH CHERRY STREET, LLC**

By: \_\_\_\_\_  
Name: William J. Lawrence  
Title: President

ATTEST:

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_



**TOMBALL ECONOMIC DEVELOPMENT CORPORATION**

By: \_\_\_\_\_  
Name: Gretchen Fagan  
Title: President, Board of Directors

ATTEST:

By: \_\_\_\_\_  
Name: William E. Sumner Jr.  
Title: Secretary, Board of Directors

DRAFT

ACKNOWLEDGMENT

THE STATE OF TEXAS §  
  §  
COUNTY OF HARRIS §

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_ 2025, by William J. Lawrence, President, This Lane and South Cherry Street, 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 \_\_4th\_\_ day of \_March\_\_\_\_\_ 2025, by Gretchen Fagan, 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)

**Exhibit A**  
**Legal Description of Property**

ALL THAT CERTAIN 1.899 ACRE (82,729 SQUARE FOOT) TRACT OR PARCEL OF LAND SITUATED IN THE JESSE PRUITT SURVEY, A-629, HARRIS COUNTY, TEXAS AND BEING ALL OF RESERVE "A" OF PINE MEADOWS, A SUBDIVISION IN HARRIS COUNTY, TEXAS, ACCORDING TO THE MAP OR PLAT THEREOF RECORDED UNDER FILM CODE NO. 555232 OF THE MAP RECORDS OF HARRIS COUNTY, TEXAS; SAID 1.899 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A 5/8 INCH IRON ROD WITH CAP STAMPED "PICKERING 5879" SET FOR THE NORTHEAST CORNER OF SAID RESERVE "A" AND THE HEREIN DESCRIBED TRACT, SAID CORNER MARKING THE INTERSECTION OF THE SOUTH RIGHT-OF-WAY LINE OF THIS LANE (WIDTH VARIES) AND THE WEST RIGHT-OF-WAY LINE OF CHERRY STREET (80 FEET WIDE);

THENCE, S 02° 27' 37" E-253.44 FEET (CALLED S 02° 27' 37" E-253.53 FEET) ALONG THE EAST LINE OF SAID RESERVE "A" AND THE WEST RIGHT-OF-WAY LINE OF SAID CHERRY STREET TO A 5/8 INCH IRON ROD FOUND MARKING THE SOUTHEAST CORNER OF RESERVE "A" AND THE HEREIN DESCRIBED TRACT;

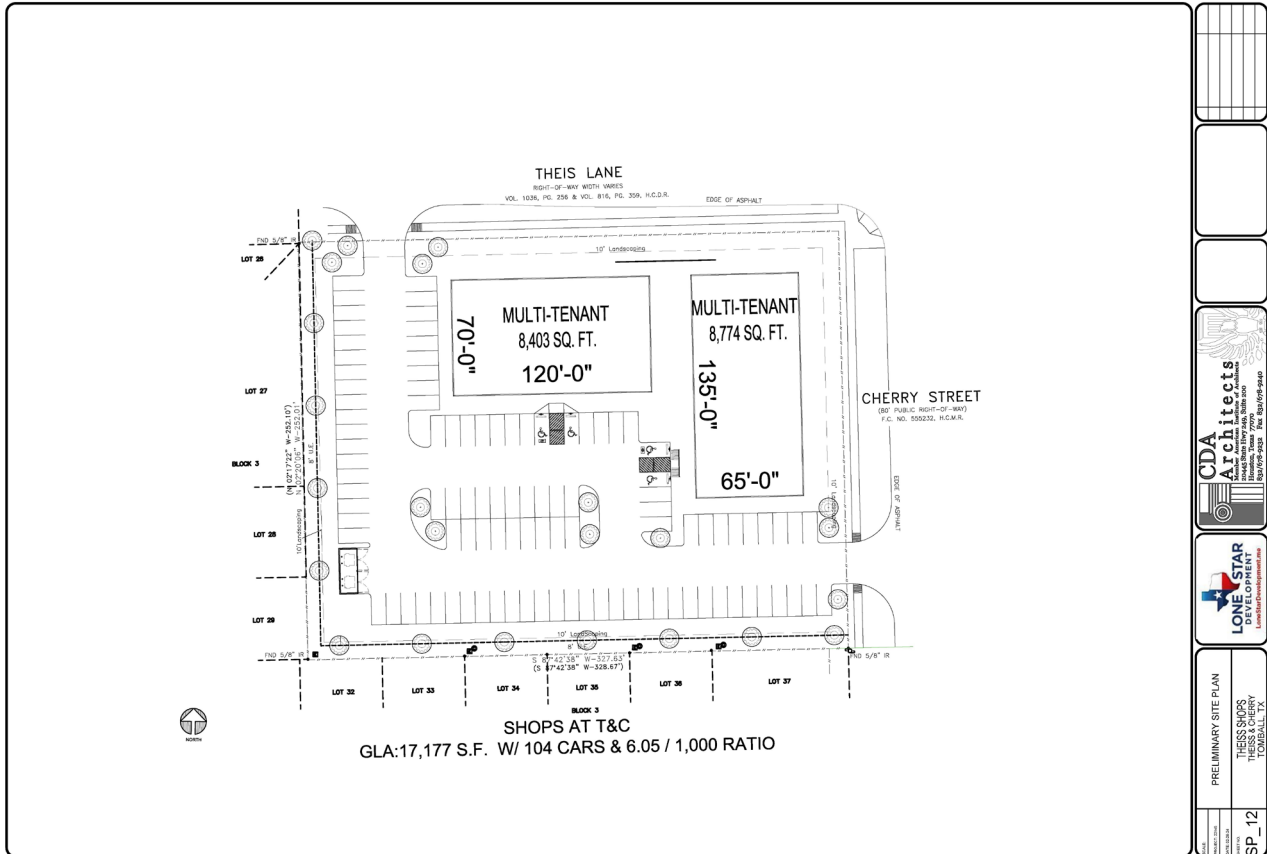
THENCE, S 87° 42' 38" W-327.63 FEET (CALLED S 87° 42' 38" W-328.67 FEET) TO A 5/8 INCH IRON ROD FOUND MARKING THE SOUTHWEST CORNER OF RESERVE "A" AND THE HEREIN DESCRIBED TRACT;

THENCE, N 02° 20' 06" W-252.01 FEET (CALLED N 02° 17' 22" W-252.10 FEET) TO A 5/8 INCH IRON ROD FOUND IN THE SOUTH RIGHT-OF-WAY LINE OF THIS LANE AND MARKING THE NORTHWEST CORNER OF RESERVE "A" AND THE HEREIN DESCRIBED TRACT;

THENCE, N 87° 27' 39" E-327.07 FEET (CALLED N 87° 27' 39" E-327.92 FEET) ALONG THE SOUTH RIGHT-OF-WAY LINE OF THIS LANE TO THE POINT OF BEGINNING AND CONTAINING 1.899 ACRES (82,729 SQUARE FEET) OF LAND, MORE OR LESS.

**Exhibit B**  
**Description of Improvements**

Construction of a 8,403 sq. ft. and a 8,774 sq. ft. commercial building and related site improvements located at corner of Thisis Lane and South Cherry Street, Tomball, TX 77375.



## Exhibit B

### Description of Improvements Cont'

**BUILDING 1**  
 120' L X 70' D = 8,403 SF

**NOTES**

1. ALL STOREFRONT FRAMING WILL BE BLACK
2. ALL DOWNSPOUT / COLLECTOR HEADS - BLACK
3. ALL FLAT CANOPIES TO BE BLACK W/ NO TIE-RODS
4. ALL CAP TRIM - BLACK
5. EXTERIOR HM DOORS - BLACK

PRELIMINARY ELEVATIONS  
 SHOPS AT THIS AND CHERRY  
 THESE LANE/SOUTH CHERRY  
 TOMBALL, TX 77375

**CDA Architects**  
 11000 Katy Road, Suite 100  
 Houston, TX 77058  
 Tel: 281-410-8400  
 Fax: 281-410-8401  
 www.cdaarchitects.com

**LONE STAR DATE/PRINT**  
 11/15/2017 10:58 AM  
 TOMBALL, TX 77375

**BUILDING 2**  
 135' L X 65' D = 8,774 SF

**NOTES**

1. ALL STOREFRONT FRAMING WILL BE BLACK
2. ALL DOWNSPOUT / COLLECTOR HEADS - BLACK
3. ALL FLAT CANOPIES TO BE BLACK W/ NO TIE-RODS
4. ALL CAP TRIM - BLACK
5. EXTERIOR HM DOORS - BLACK

PRELIMINARY ELEVATIONS  
 SHOPS AT THIS AND CHERRY  
 THESE LANE/SOUTH CHERRY  
 TOMBALL, TX 77375

**CDA Architects**  
 11000 Katy Road, Suite 100  
 Houston, TX 77058  
 Tel: 281-410-8400  
 Fax: 281-410-8401  
 www.cdaarchitects.com

**LONE STAR DATE/PRINT**  
 11/15/2017 10:58 AM  
 TOMBALL, TX 77375

**Exhibit C**

**Description of Infrastructure Improvements**

TARGETED INFRASTRUCTURE	COST
CIVIL DESIGN FEES	23,598
UTILITY IMPACT FEES	71,820
SITE PREPARATIONS	782,286
NEW PUBLIC ROW	51,300
STORM DRAINAGE	151,012
SANITARY SEWER	76,529
WATER	76,950
TELECOMMUNICATIONS / INTERNET	10,260
ELECTRIC	41,040
GAS	5,130
TOTAL	\$1,194,507

# Regular Tomball EDC

## Agenda Item

### Data Sheet

Meeting Date: March 4, 2025

#### Topic:

Consideration and possible action by Tomball EDC to approve, as a Project of the Corporation, an agreement with Innersculpt Studio, LLC to make direct incentives to, or expenditures for, rental assistance for new or expanded business enterprise to be located at 1417 Graham Drive, Suite 600, Tomball, Texas 77375. The estimated amount of expenditures for such Project is \$10,000.00.

- Public Hearing

#### Background:

The Tomball Economic Development Corporation has received a request from Brennan Cross, Owner, of Innersculpt Studio, LLC for funding assistance through the TEDC's Rental Incentive Program for a new Pilates Fitness Studio.

Ms. Cross plans to open a fitness studio where residence can focus on their health and well-being thru Pilates. Innersculpt Studio plans to locate their business at 1417 Graham Drive, Suite 600, Tomball, Texas 77375. The space is approximately 1,600 square feet located in the new Headquarters TOO development.

The goal of the TEDC's Rental Incentive Program is to assist in the establishment of new businesses in existing vacant spaces and to stimulate commercial investment in the City of Tomball. In accordance with the Rental Incentive Program Policy, the proposed performance agreement is for 25% of the base monthly rent for the first year of operation only, not to exceed \$10,000.00 per business.

The lease agreement that was submitted in conjunction with the request letter shows a five-year lease commitment with a monthly rent amount of \$4,400.00 for the first 12 months. The proposed grant amount is \$10,000.00, payable after the first year of operation based on landlord verification of rents paid and meeting the performance agreement criteria.

Although this project does not create primary jobs, it does promote the development and expansion of business enterprise, which is considered a permissible project as outlined in Texas Economic Development Legislation. If this project is approved, it will go to the Tomball City Council for final approval by resolution at two separate readings.

**Origination:** Brennan Cross, Owner, Innersculpt Studio

**Recommendation:** Staff recommends approval of the proposed Performance Agreement with Innersculpt Studio, 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:  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



## Innersculpt Studio

1417 Graham Dr. Ste 600, Tomball, TX 77375

Innersculptstudio.com

February 26<sup>th</sup> 2025

Tiffiani Wooten, CEcD  
Assistant Director  
Tomball Economic Development Corporation

Dear Tiffani,

I am thrilled to announce the upcoming opening of Innersculpt Studio in Tomball, TX. As a local entrepreneur, I am excited to bring a dedicated wellness space to the community where residents can focus on their health and well-being through Pilates. Our studio will offer a variety of classes, from group sessions to private instruction, catering to all fitness levels, and fostering an atmosphere of support and empowerment for all participants.

Our mission goes beyond just fitness—we're deeply committed to becoming an active part of Tomball's growing community. We intend to connect with local organizations, engage in community wellness initiatives, and create a space where neighbors can come together to improve their physical health while forming lasting relationships.

Opening a new business comes with many initial expenses, and we are seeking the Rental Incentive Grant to help us offset some of these costs. With this funding, we will be able to invest in high-quality equipment, create local job opportunities, and ensure that our studio is well-equipped to provide top-notch service to our future clients.

We are grateful for the opportunity to apply for this grant and look forward to contributing to Tomball's economic vitality. We believe Innersculpt Studio will be a valuable addition to the city's thriving business community, and we are eager to be a part of its continued success.

Thank you for your time and consideration.

Sincerely,

Brennan Cross  
Owner  
Innersculpt Studio



**NEW BUSINESS RENTAL INCENTIVE PROGRAM  
PART A –BUSINESS OWNER APPLICATION**

The New Business Rental Incentive Program seeks to reduce area vacancies and facilitate the establishment of new businesses in previously underutilized areas of the City. The intent of the program is to facilitate business growth and expansion by assisting businesses in leasing space. All grant award decisions of the Tomball Economic Development Corporation (TEDC) Board of Directors are discretionary and final. Through the Program, the TEDC will provide up to 25% of the base monthly rent for the first year of operation only, not to exceed \$10,000 per business.

**Business Owner Applicant Information**

Name of Business: Innersculpt Studio  
 Current Business Physical Address: 971 Reverend B J Lewis Dr  
 City, State & Zip Houston TX 77060  
 Mailing Address: 971 Reverend B J Lewis Dr  
 City, State & Zip Houston TX 77060  
 Business Phone: 281-702-0472  
 Business Website: innersculptstudio.com  
 Business Owner Name: Brennan Cross  
 Applicant’s Name (if different): \_\_\_\_\_  
 Position /Title: Owner  
 Phone and Email: 281-702-0472 / brennan@innersculptstudio.com  
 Nature of Business: Pilates Studio  
 NAICS Code: 713940

Legal Form of Business:

- Sole Proprietor
- Partnership Number of Partners \_\_\_\_\_
- Corporation
- Limited Liability Corp
- Other \_\_\_\_\_

Days and Hours of Operation

Days Open: Mon-Sun

Hours Open: 5am-8pm

Business Start/Opening Date May 2025

**Employees**

Full Time Employees (40 hours per week): 2

Part Time Employees (less than 40 hours per week): 1

Does the Business Owner Have any Relationship to the Property Owner/Landlord?

No  Yes  (please explain)

**Moving and Space Improvement Cost and Funding Information**

Investment Data

Tenant Space Improvement (finish) \$ 10,000.00

Landlord Space Improvement (finish) \$ 60,000.00

Equipment and Display \$ 25,000.00

Product Stock (for Opening) \$ 5,000.00

Marketing (First Year) \$ 5,000.00

Sources of Funding for Move/Expansion

Funds invested by owner \$ 45,000.00

Funds from other sources\* \$ 10,000.00

Total estimated cost to move/expand \$ 55,000.00

\* Source of Funding and Amounts Personal money and loans

**New Lease Property Information**

Address of space to be leased: 1417 Graham Dr Tomball, TX 77375

Total amount of square feet to be leased and occupied: 1600

Term of lease (minimum 3 years): 5 years

Gross rental rate \$ 4,400 per month \$ 2.75 per s.f.

Additional lease terms and other monthly charges: NNN charges additional \$0.67 sqft per month

Indicate any rate increases: \_\_\_\_\_

**FINANCIAL NEED DEMONSTRATION:** Acceptance into the Rental Incentive Program requires an acceptable explanation of financial need. Use the lines below to explain why and how the rent subsidy is an important factor in opening your business.

As a new Pilates studio, securing the appropriate space and setting up operations presents significant upfront financial challenges. The rent subsidy through the Rental Incentive Program would be crucial factor in helping me establish and sustain my business during the critical first year of operations. The first year of any new business involves building a client base, brand recognition, and generating consistent revenue. During this time, operating costs can be high while income is typically slower to ramp up. The 25% rent reduction would provide essential financial relief, allowing me to allocate resources toward attracting and retaining clients through targeted marketing, purchasing necessary equipment, and hiring skilled instructors. Additionally, the subsidy would allow me to offer competitive pricing to make Pilates more accessible to the local community, while still maintaining a sustainable business model. Without the support, the financial strain of covering rent, especially during the early months could jeopardize the stability and long-term success of the studio.

Ultimately, the rent subsidy will help me create a solid foundation for the business, leading to job creation, community engagement, and a positive economic impact as the studio grows and becomes a key part of the local wellness scene.

Explain how your business will benefit and enhance the area in which you are locating and how your business will complement other businesses within the area:

I was born and raised in Tomball, attending local schools and growing up surrounded by a supportive community. Having spent my childhood here, I've developed a deep connection to the area and a strong desire to contribute to its growth.

My Pilates studio will be a valuable addition to the community, enhancing the area by promoting health, wellness and a sense of connection among local residents. The response from the local community has already been overwhelming - when I posted about the studio on a local Tomball Facebook group, it received nearly 200 comments and over 230 likes from residents expressing their excitement and support for bringing a Pilates studio to the area. This outpouring of interest demonstrates a clear demand for this type of wellness offering in Tomball and reinforces the belief that the studio will fill a significant gap in the local market. In addition, I plan to collaborate with nearby businesses to foster cross-promotions, such as joint events or special offers for members of both businesses.

This will strengthen the local economy and create a network of like-minded businesses that support one another. This studio will also generate local job opportunities for instructors, front desk staff, and other positions contributing to the areas economic growth. The strong local interest I've already seen is a testament to the positive impact this business will have on tomball, helping to make it an even more attractive place to work, live and visit.

**Certification**

By signing below, the Business Owner of record (applicant) understands and agrees to the following:

1. All information contained in this application, the attached exhibits and other materials submitted in connection with this application are true and accurate to the best of the business owner’s knowledge. Business owner understands and agrees that false or untruthful information may be grounds for the TEDC to stop processing this application or to withdraw any approval previously obtained based in whole or in part on such false or untruthful statements.
2. The TEDC is under no obligation to approve the request contained in the application. No promises of approval are conveyed with the acceptance of this application.
3. All tax obligations to the City of Tomball are current.
4. The business is currently in good standing with the City, and has no pending municipal code violations.
5. The business is not currently occupying the space with or without a lease in place.
6. The APPLICANT hereby certifies that the APPLICANT 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 under the law to be employed in that manner in the United States. APPLICANT understands and agrees that if, after receiving a Grant, APPLICANT is convicted of a violation under 8 U.S.C. Section 1324a(f), the APPLICANT shall be required to reimburse to the TEDC the grant amount received. Payments must be paid in full within thirty (30) days after the date of written notification by the TEDC. The form of such payment shall be a cashier’s check or money order, made payable to the Tomball Economic Development Corporation. The TEDC has the right to recover court costs and reasonable attorney’s fees as a result of any civil action required to recover such repayment.

**Brennan Cross**



Printed Name of Principal Owner

Signature

**2-18-2025**

Date

**Please submit the completed application along with a copy of the Proposed Lease Agreement to:**

Kelly Violette

Tomball Economic Development Corporation

29201 Quimm Road, Suite B

Tomball, TX 77375

**For further questions about the Program, please contact Kelly Violette, Executive Director, at 281.401.4086 or [kviolette@tomballexdc.org](mailto:kviolette@tomballexdc.org).**



NEW BUSINESS RENTAL INCENTIVE PROGRAM

PART B – PROPERTY OWNER/LANDLORD APPLICATION

Complete all items carefully and accurately to the best of your knowledge and return with a copy of Proof of Ownership to:

Kelly Violette
Tomball Economic Development Corporation
29201 Quinn Road, Suite B
Tomball, TX 77375

Property Address: 1417 Graham Drive, Tomball, TX 77375

Property Owner of Record: Headquarters TOO LLC

Mailing Address: 1431 Graham Drive Suite 175

City, State & Zip Tomball, TX 77375

Phone: 7139991927 Email: peter@tpc-re.com

Name(s) of Authorized Signatories: Peter, Devin, and Mark Licata

Name of Management Company: TPC Real Estate

Name of Representative/Contact Person: Peter Licata

Management Company Address: 1431 Graham Drive Suite 175

City, State & Zip Tomball, TX 77375

Phone: 7139991927 Email: peter@tpc-re.com

Name of proposed business at site:

Innersculpt Studio

Name of business owner:

Brennan Cross

DOES THE BUSINESS OWNER OR THE BUSINESS HAVE ANY RELATIONSHIP TO THE PROPERTY OWNER/LANDLORD? NO [x] YES [ ] Please explain

Horizontal lines for explanation text.

**SITE & LEASE INFORMATION**

Total amount of square feet to be leased and occupied by business: 1600

Term of lease: 5 years

Gross rental rate \$4,400 per month \$2.75 per s.f.

Additional lease terms and other monthly charges: NNN charges will be additional charges

They are estimated at \$0.67 sqft per month

Indicate any rate increases: \_\_\_\_\_

Is the subject space currently vacant? Yes  No

If yes, how long has the space been vacant? 12 months

Name of previous tenant: N/A

Previous Rental Rate: \$ N/A Per Month \$ N/A Per Square Foot

**CERTIFICATIONS**

**Are all real estate and personal property taxes due the City of Tomball paid in full?**

Subject Property: YES  NO  (Please explain on supplemental sheet)

Other Properties: YES  NO  N/A

**Are all City of Tomball water and sewer bills due paid in full?**

Subject Property: YES  NO  (Please explain on supplemental sheet)

Other Properties: YES  NO  N/A

**Have you been cited for any existing zoning, building or property maintenance code violations that remain uncorrected?**

Subject Property: YES  NO  (Please explain on supplemental sheet)

Other Properties: YES  NO  N/A

**Are you involved in any litigation with the City of Tomball?**

YES (Please explain on supplemental sheet)

NO

**By signing below, the Landlord/Property Owner of record understands and agrees to the following:**

1. All information contained in this application, the attached exhibits and other materials submitted in connection with this application are true and accurate to the best of the land owner's knowledge. Landowner understands and agrees that false or untruthful information may be grounds for the TEDC to stop processing this application or to withdraw any approval previously obtained based in whole or in part on such false or untruthful statements.
2. The TEDC is under no obligation to approve the request contained in the application. No promises of approval are conveyed with the acceptance of this application.
3. All tax obligations to the City of Tomball are current.
4. The property is currently in good standing with the City, and has no pending municipal code violations.
5. The business is not currently occupying the space with or without a lease in place.

**Headquarters TOO LLC**



Printed Name of Property Owner/Landlord

Signature

**2-22-25**

Date





# COMMERCIAL LANDLORD'S RULES AND REGULATIONS

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**REGARDING THE COMMERCIAL LEASE CONCERNING THE LEASED PREMISES AT** 1417 Graham Drive,  
Tomball, TX

**NOTICE:** These rules and regulations are adopted to maintain and enhance the safety and appearance of the Property. From time to time Landlord, at its discretion, may amend these rules and regulations for the purposes for which they were adopted. Under the above-referenced lease, Tenant agrees to comply with these rules and regulations as they may be amended. Exceptions or waivers must be authorized by Landlord in writing. "Property" means the building or complex in which the leased premises are located, inclusive of any common areas, drives, parking areas, walks, and landscaped areas.

- A. Goods, merchandise, equipment, or any personal property may not be stored on the Property, except for inventory within the leased premises necessary for Tenant's normal business operations.
- B. Food is not permitted on the Property, except as inventory for sale and for a small amount of food for Tenant's personal consumption.
- C. Other than those provided by Landlord or specifically authorized by Landlord, no vending machines are permitted on the Property.
- D. The Property may not be used for lodging or sleeping quarters in any manner.
- E. Unless authorized by law or the lease, no animals may be brought or kept on the Property.
- F. No obstruction or interference that impedes use of the common areas, walks, drives, loading areas, parking areas, corridors, hallways, vestibules, and stairs is permitted on the Property.
- G. Persons parking on the Property must comply with all posted signs and directions regulating the parking areas.
- H. No flammable, toxic, noxious, or hazardous materials may be kept on the Property except for over-the-counter cleaning materials kept in enclosed storage closets or cabinets.
- I. Tenants moving in or out of the Property must use only the service entrances and service elevators during the move. All moves must be made at times that do not cause inconvenience in the normal use of the Property.
- J. Deliveries and shipping of goods and merchandise in or out of the Property must be made only through the service entrances, service elevators, loading docks, or other designated shipping and receiving areas. Shipments and deliveries must be made at times that do not cause inconvenience to tenants or patrons on the Property.
- K. Leased premises must be kept clean and free of debris. Trash must be deposited into appropriate receptacles. Trash receptacles controlled by Tenant must not be allowed to overflow, attract rodents or vermin, or emit odors.

(TXR-2108) 1-26-10 Initialed for Identification by Landlord:   and Tenant:

- L. Repair requests must be submitted to Landlord in writing in compliance with the lease.
- M. No modification to the Property and leased premises may be made unless authorized by Landlord, in writing, or permitted by the lease.
- N. No illegal or offensive activity is permitted on the Property nor is any activity that constitutes a nuisance or interferes with the rights of other tenants.
- O. Unless specifically authorized by Landlord, no solicitation or business operations are permitted in the common areas.
- P. Other:

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### COMMERCIAL LEASE GUARANTY

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**GUARANTY TO COMMERCIAL LEASE CONCERNING THE LEASED PREMISES AT** 1417 Graham Drive,  
Suite 300, Tomball TX 77375 **between**  
Headquarters TOO LLC **(Landlord) and**  
**(Tenant).**

- A. In consideration for Landlord leasing the leased premises to Tenant, the undersigned Guarantor (whether one or more) guarantee Tenant's performance under the above-referenced lease.
- B. If Tenant fails to timely make any payment under the lease, Guarantor will promptly make such payment to Landlord at the place of payment specified in the lease. Guarantor is also responsible for any property damage to the leased premises or Property (as defined in the lease) for which Tenant is responsible under the lease. If Tenant breaches the lease, Guarantor will: (i) cure the breach as may be required of Tenant by the lease; or (ii) compensate Landlord for Landlord's loss resulting from the breach.
- C. Guarantor guarantees Tenant's obligations under the lease regardless of any modification, amendment, renewal, extension, or breach of the lease. Guarantor waives any rights to notices of acceptance, modification, amendment, extension, or breach of the lease. Each Guarantor is jointly and severally liable for all provisions of this guaranty. This guaranty is binding upon Guarantor's heirs, executors, administrators, successors, and assigns. Filing for bankruptcy by Tenant will not diminish Guarantor's obligations under this guaranty.
- D. The laws of the State of Texas govern the interpretation, validity, performance, and enforcement of this guaranty. Any person who is a prevailing party in any legal proceeding brought under or related to this guaranty is entitled to recover attorney's fees from the nonprevailing party.
- E. Guarantor authorizes Landlord to obtain a copy of any consumer or credit report of Guarantor from any consumer reporting agency and to verify relevant information related to Guarantor's creditworthiness from other persons such as banks, creditors, employers, existing and previous landlords, and other persons.
- F. Guarantor will provide Guarantor's current financial information (balance sheet and income statement) to Landlord within 30 days after request by Landlord. Landlord may request the financial information no more frequently than once every 12 months.
- G. Special Provisions: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Guarantor:**

Signature:

Printed Name: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

SS# or Tax ID#: \_\_\_\_\_ Date: \_\_\_\_\_

**Witness:**

**Guarantor:**

Signature:

Printed Name: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

SS# or Tax ID#: \_\_\_\_\_ Date: \_\_\_\_\_

**Witness:**

## COMMERCIAL LEASE CONSTRUCTION ADDENDUM (Tenant to Complete Construction)

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### ADDENDUM TO THE COMMERCIAL LEASE BETWEEN THE UNDERSIGNED PARTIES CONCERNING THE LEASED PREMISES AT 1417 Graham Drive, Suite 300, Tomball TX 77375

The following provisions apply and will control in the event of a conflict with other provisions stated in the lease:

- A. Execution and License to Enter: This addendum is executed as a part of the above-referenced lease. Landlord authorizes Tenant to construct the improvements described in this addendum provided that Tenant complies with all of the terms of this addendum. In the event the term of the lease has not yet commenced, Landlord grants Tenant a license to enter into the Property and the leased premises effective upon lease execution for the purposes of constructing the improvements described under this addendum. This license is made under all the terms and provisions in the lease, except as to the covenant to pay rent.
- B. Construction Costs: Tenant will pay the full cost to construct the improvements that Tenant is to construct under this addendum, including but not limited to the cost of material, engineering studies, environmental studies, contractors, permits, plans, architects, inspectors, subcontractors, and materialmen. Not later than 10 days after the construction is complete and Tenant has satisfied all of Tenant’s obligations under this addendum, Landlord will reimburse Tenant the cost to construct the improvements in an amount that does not exceed \$75,000.00

C. Approval of Plans:

- (1) Not later than 05/01/2025, Tenant will submit to Landlord plans and specifications detailing the improvements Tenant desires to complete to the leased premises. The plans must detail all architectural, mechanical, electrical, and plumbing requirements for the improvements and must describe the proposed improvements along with the materials to be used and the interior floor plan of the leased premises. The plans must be drawn by a licensed professional architect in accordance with generally accepted architectural standards or by another person approved by Landlord and must be sufficient for a contractor to use to construct the desired improvements.
- (2) Within 10 days after Landlord receives the plans in accordance with Paragraph C(1), Landlord will notify Tenant whether the plans are “approved” or “disapproved” by marking such on the plans and delivering the plans back to Tenant. Landlord will not unreasonably withhold approval of the plans. If Landlord does not notify Tenant of a disapproval within the time specified, the plans will be deemed approved.
- (3) If the plans are disapproved, Landlord will detail the reasons for the disapproval either on the plans or in a separate notice to Tenant. If the plans are disapproved, Tenant will, within 15 days after receipt of the disapproval notice from Landlord, submit amended plans to Landlord that incorporate revisions necessary to satisfy Landlord’s reasons for the disapproval. Landlord will not unreasonably withhold approval of any amended plans. If Tenant is unable or unwilling to satisfy Landlord’s reasons for disapproval by \_\_\_\_\_, and:
  - (a) if this addendum is executed after the lease commenced, then Tenant will not construct the improvements and this Addendum will have no further effect; or

(b) if this addendum is executed before the lease commences the lease will terminate and Landlord will refund any security deposit and advanced rent paid by Tenant.

(4) "Final plans" means the plans that Landlord approves under this Paragraph C.

D. Change Orders: Tenant must obtain Landlord's advanced written approval of any proposed changes to the final plans. Landlord will approve or disapprove any proposed change within \_\_\_\_\_ days after Landlord receives a copy of the proposed change order from Tenant. Landlord will not unreasonably withhold approval of any proposed change order. If Landlord does not notify Tenant of a disapproval of a proposed change order within the time specified, the proposed change order is deemed approved.

E. Contractor: Before construction begins Tenant will enter into a written construction contract with a contractor(s) acceptable to Landlord to construct the improvements in accordance with the final plans. Any subcontractors employed by Tenant or Tenant's contractors must be acceptable to Landlord. Landlord will not unreasonably withhold approval of contractors and subcontractors.

F. Construction:

(1) Tenant will diligently complete the improvements in accordance with the final plans and will satisfy any requirements of any governmental authorities having jurisdiction over the improvements. The construction of the improvements must be performed in a good workmanlike manner and must comply with all applicable laws, ordinances, rules, and governmental orders and regulations. Construction of the improvements may not:

- (a) damage the Property except as specifically permitted by the final plans, including but not limited to damage to or interference with any structural component, system, or part of the Property;
- (b) interfere with the rights or operations of any other tenant in the Property or with Landlord's management of the Property; and
- (c) not obstruct any common area, walk, or drive except as Landlord permits.

(2) Landlord and Landlord's designees may inspect the construction of the improvements from time to time. If Landlord notifies Tenant of any construction defect or non-compliance with the final plans, Tenant must promptly correct the defect or non-compliance.

(3) All construction staging areas and dumpster locations are subject to Landlord's approval. Construction debris will not be allowed to accumulate on the Property. All construction debris will be completely removed from the Property upon completion of construction.

G. Completion:

(1) Tenant must substantially complete the construction of the improvements to the leased premises in accordance with this addendum on or before 07/01/2025.

Except as provided in this paragraph, the failure to complete construction of the improvements by the date specified does not relieve Tenant of Tenant's obligations to pay rent or satisfy other terms and conditions of the lease. The time by which Tenant must complete construction may be extended only if: (a) Landlord causes the delay; (b) governmental authorities delay issuing permits or performing inspections through no fault of Tenant; or (c) a construction delay is caused by strike, lock-out, shortage of material, governmental restriction, riot, flood, or a cause outside Tenant's control. Any extension under this paragraph may be exercised by Tenant only if Tenant promptly notifies Landlord in writing of the extension after Tenant knows or has reason to know of any applicable delay which is cause for an extension. Any extension under this paragraph may not exceed the lesser of: the number of days of the delay caused by the specified cause for the delay or \_\_\_\_\_ days. If a delay authorized by this Paragraph applies, the Commencement Date and Expiration Date of the lease shall likewise be extended along with an appropriate adjustment in the rent due dates. If a delay is caused by Landlord and the delay exceeds the time for which an extension is permitted under this paragraph, Tenant may exercise its remedies under the default provision of the lease.

- (2) Construction is complete when all the improvements are constructed in accordance with the final plans and Tenant provides Landlord with: (a) a final certificate executed by the supervising person; and (b) if required by a governmental body, a certificate of occupancy permitting Tenant to occupy the leased premises for the purposes set forth in the lease.
- (3) The supervising person is \_\_\_\_\_. The certificate of the supervising person is conclusive in any dispute involving the construction performed or required to be performed under this addendum.

H. No Liens:

- (1) Tenant guarantees that Tenant will pay all costs of any liability related to the construction of the improvements described in this addendum and further guarantees the lien-free completion of the improvements against the leased premises and Property. Tenant may not create or place any lien or encumbrance, of any kind, upon the leased premises or Property that encumbers Landlord's interest in the leased premises or Property.
- (2) Before Landlord reimburses Tenant for the cost of the improvements, Tenant must:
  - (a) deliver to Landlord a waiver of liens in recordable form acceptable to Landlord from each contractor, subcontractor, and materialman. The waivers must specify that: (a) the contractor, subcontractor, or materialman waive any and all claims against Landlord and waive any and all lien rights against Landlord's interest in the leased premises and Property; and (b) the contractor or subcontractor agree to hold Landlord harmless from any and all claims arising from or in connection with its work or materials;
  - (b) obtain any required certificate of occupancy; and
  - (c) commence business in the leased premises.
- (3) If any lien is filed or asserted against any portion of the leased premises or Property as a result of the acts of Tenant or Tenant's contractors, subcontractors, or materialmen, Tenant must remove any such lien or lien claim within 20 days after receipt of notice from Landlord.
- (4) Tenant will indemnify and keep Landlord harmless from all damages, costs, expenses, and attorney's fees that may arise from any lien or claim that may be filed or threatened as a result of the improvements to be constructed under this addendum.

I. Bonds: Before commencement of any construction, Tenant and Tenant's contractors, at no cost to Landlord, must post the following bonds in favor of the Landlord in the amounts specified: \_\_\_\_\_

J. Insurance:

- (1) Before any construction commences, Tenant must deliver to Landlord evidence that the insurance required by Paragraph 8A of the lease will be in effect not later than the day construction begins.
- (2) Before any construction commences, Tenant must deliver to Landlord certificates of insurance, from insurers acceptable to Landlord, evidencing that any contractor maintains insurance to protect Landlord, Tenant, and the contractor from:
  - (a) workman compensation claims and other employee benefit acts in an amount not less than \$250,000 \_\_\_\_\_ per occurrence;
  - (b) claims for damages from bodily injury or death to employees and others in an amount not less than \$250,000 \_\_\_\_\_ per person and \$1,000,000 \_\_\_\_\_ per occurrence; and

(c) property damage in an amount not less than \$150,000 per occurrence.

(3) The insurance required by this Paragraph J must cover any and all claims that may arise out of or as a result of the operations of the contractor or the contractor's subcontractor(s).

(4) The coverage required by this Paragraph J must be maintained by Tenant or Tenant's contractors, at Tenant's or the contractors' sole expense, during all times of any construction period. If Tenant fails or if any of Tenant's contractors fail to maintain the required insurance in full force and effect at all required times, Landlord may:

- (a) purchase such insurance on behalf of Tenant or the contractor(s) and Tenant must immediately reimburse Landlord for such expense; or
- (b) exercise Landlord's remedies for Tenant's default under the lease.

K. Tenant's Assumption of Liability: Tenant must promptly pay and discharge all costs, expenses, claims for damages, liens, lien claims, and any other liabilities which may arise from or in connection with the construction of the improvements described in this addendum. Tenant agrees to hold Landlord harmless from all costs, expenses, damages, liens, lien claims, and any other liabilities, which may arise from or in connection with the construction of the improvements described in this addendum.

L. Special Provisions: (If applicable, include any business details, factual statements, or any requirements the parties must satisfy [for example, Landlord's obligation to complete shell construction by a certain date or by the time the license under Paragraph A commences].)

Tenant Improvement Allowance paid to Tenant once Tenant receives their Certificate of Occupancy, and delivers final lien waivers to Landlord.

Landlord: \_\_\_\_\_

Tenant: \_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

By (signature):

By (signature):

Printed Name: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

By (signature):

By (signature):

Printed Name: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

## COMMERCIAL LEASE

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CONCERNING THE LEASED PREMISES AT 1417 Graham Drive, Tomball, TX 77375  
 between Headquarters TOO LLC (Landlord)  
 and \_\_\_\_\_ (Tenant).

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3.	Term .....	2	<input type="checkbox"/> Exhibit _____
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### COMMERCIAL LEASE

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**1. PARTIES:** The parties to this lease are:

Landlord: Headquarters TOO LLC; and  
Tenant: \_\_\_\_\_.

**2. LEASED PREMISES:**

A. Landlord leases to Tenant the following described real property, known as the "leased premises," along with all its improvements (Check only one box):

(1) **Multiple-Tenant Property:** Suite or Unit Number 300 containing approximately 1875 square feet of rentable area ("rsf") in 1417 Graham Drive (project name) at 1417 Graham Drive (address) in Tomball (city), Harris (county), Texas, which is legally described on attached Exhibit \_\_\_\_\_ or as follows:  
\_\_\_\_\_  
\_\_\_\_\_

(2) **Single-Tenant Property:** The real property containing approximately \_\_\_\_\_ square feet of rentable area ("rsf") at: \_\_\_\_\_ (address) in \_\_\_\_\_ (city), \_\_\_\_\_ (county), Texas, which is legally described on attached Exhibit \_\_\_\_\_ or as follows: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

B. If Paragraph 2A(1) applies:

- (1) "Property" means the building or complex in which the leased premises are located, inclusive of any common areas, drives, parking areas, and walks; and
- (2) the parties agree that the rentable area of the leased premises may not equal the actual or useable area within the leased premises and may include an allocation of common areas in the Property. The rentable area  will  will not be adjusted if re-measured.

**3. TERM:**

A. **Term:** The term of this lease is 60 months and 0 days, commencing on: 03/01/2025 (Commencement Date) and ending on 02/28/2030 (Expiration Date).

B. **Delay of Occupancy:** If Tenant is unable to occupy the leased premises on the Commencement Date because of construction on the leased premises to be completed by Landlord that is not substantially complete or a prior tenant's holding over of the leased premises, Landlord will not be liable to Tenant for

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such delay and this lease will remain enforceable. In the event of such a delay, the Commencement Date will automatically be extended to the date Tenant is able to occupy the Property and the Expiration Date will also be extended by a like number of days, so that the length of this lease remains unchanged. If Tenant is unable to occupy the leased premises after the 30 \_\_\_\_\_ day after the Commencement Date because of construction on the leased premises to be completed by Landlord that is not substantially complete or a prior tenant's holding over of the leased premises, Tenant may terminate this lease by giving written notice to Landlord before the leased premises become available to be occupied by Tenant and Landlord will refund to Tenant any amounts paid to Landlord by Tenant. This Paragraph 3B does not apply to any delay in occupancy caused by cleaning or repairs.

C. Certificate of Occupancy: Unless the parties agree otherwise, Tenant is responsible for obtaining a certificate of occupancy for the leased premises if required by a governmental body.

**4. RENT AND EXPENSES:**

A. Base Monthly Rent: On or before the first day of each month during this lease, Tenant will pay Landlord base monthly rent as described on attached Exhibit \_\_\_\_\_ or as follows:

Dates		Rate per rentable square foot (optional)		Base Monthly Rent \$
From	To	\$ Monthly Rate	\$ Annual Rate	
03/01/2025	02/28/2030	2.75 / rsf / month	33.00 / rsf / year	5,156.25
		/ rsf / month	/ rsf / year	
		/ rsf / month	/ rsf / year	
		/ rsf / month	/ rsf / year	
		/ rsf / month	/ rsf / year	
		/ rsf / month	/ rsf / year	

B. Additional Rent: In addition to the base monthly rent, Tenant will pay Landlord the expense reimbursement detailed in Paragraph 4J (if applicable) and all other amounts, as provided by the attached (Check all that apply.):

- (1) Commercial Lease Addendum for Percentage Rent (TXR-2106)
- (2) Commercial Lease Addendum for Parking (TXR-2107)
- (3) \_\_\_\_\_

All amounts payable under the applicable addenda are deemed to be "rent" for the purposes of this lease.

C. First Full Month's Rent: The first full monthly rent is due on or before 03/01/2025  
 First month's rent is prepaid and will be applied to rent for 09/01/2025

D. Prorated Rent: If the Commencement Date is on a day other than the first day of a month, Tenant will pay Landlord as prorated rent, an amount equal to the base monthly rent multiplied by the following fraction: the number of days from the Commencement Date to the first day of the following month divided by the number of days in the month in which this lease commences. The prorated rent is due on or before the Commencement Date.

E. Place of Payment: Tenant will remit all amounts due to Landlord under this lease to the following person at the place stated or to such other person or place as Landlord may later designate in writing:

Name: Appfolio  
 Address: Online; Appfolio

- F. **Method of Payment:** Tenant must pay all rent timely without demand, deduction, or offset, except as permitted by law or this lease. If Tenant fails to timely pay any amounts due under this lease or if any check of Tenant is returned to Landlord by the institution on which it was drawn, Landlord after providing written notice to Tenant may require Tenant to pay subsequent amounts that become due under this lease in certified funds. This paragraph does not limit Landlord from seeking other remedies under this lease for Tenant's failure to make timely payments with good funds.
- G. **Late Charges:** If Landlord does not actually receive a rent payment at the designated place of payment within 5 days after the date it is due, Tenant will pay Landlord a late charge equal to 10% of the amount due. In this paragraph, the mailbox is not the agent for receipt for Landlord. The late charge is a cost associated with the collection of rent and Landlord's acceptance of a late charge does not waive Landlord's right to exercise remedies under Paragraph 20.
- H. **Returned Checks:** Tenant will pay \$100 for each check Tenant tenders to Landlord which is returned by the institution on which it is drawn for any reason, plus any late charges until Landlord receives payment.
- I. **Application of Funds:** Regardless of any notation on a payment, Landlord may apply funds received from Tenant first to any non-rent obligations of Tenant, including but not limited to: late charges and returned check charges, repairs, brokerage fees, periodic utilities and thereafter to rent.

*(Check box only if Tenant reimburses Landlord for some or all expenses. Do not check for "gross" leases.)*

- J. **Expense Reimbursement.** In addition to base monthly rent stated in Paragraph 4A, Tenant will pay Landlord the expense reimbursement described in this Paragraph 4J. Tenant will pay the expense reimbursement as additional rent each month at the time the base-monthly rent is due. All amounts payable under this Paragraph 4J are deemed to be "rent" for the purposes of this lease.
- (1) **Reimbursable Periods.** Additional rent under this Paragraph 4J is due for all months listed in the chart in Paragraph 4A, even if the base monthly rent is zero.

(2) **Definitions:**

- (a) "Tenant's pro rata share" is 12.09 %.
- (b) "CAM" means all of Landlord's expenses reasonably incurred to maintain, repair, operate, manage, and secure the Property (for example, security, lighting, painting, cleaning, decorations, utilities, trash removal, pest control, promotional expenses, and other expenses reasonably related the Property's operations); including all expenses incurred by Landlord under Paragraph 15, but not including expenses for structural components and roof replacement; CAM does not include capital expenditures, interest, depreciation, tenant improvements, insurance, taxes, or brokers' leasing fees. Notwithstanding the foregoing, CAM does include the amortized costs incurred by Landlord in making capital improvements or other modifications to the Property to the extent such improvements or modifications reduce CAM overall. These costs will be amortized over the useful life of the improvement or modification on a straight-line basis; however, in no event will the charge for such amortization included in CAM exceed the actual reduction in CAM achieved by the improvements and modifications.
- (c) "Insurance" means Landlord's costs to insure the leased premises and the Property including but not limited to insurance for casualty loss, general liability, and reasonable rent loss.
- (d) "Taxes" means the real property ad valorem taxes assessed against the leased premises and Property inclusive of all general and special assessments and surcharges.

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- (e) *“Structural”* means all of Landlord’s expenses reasonably incurred to maintain, repair, and replace the roof, foundation, exterior walls, load bearing walls and other structural components of the Property.
- (f) *“Roof”* means all roofing components including, but not limited to decking, flashing, membrane, and skylights.

(3). Method: The additional rent under this Paragraph 4J will be computed under the following method (Check only one box): Note: *“CAM” does not include taxes and insurance costs.*

- (a) Base-year expenses: Each month Tenant will pay Tenant’s pro rata share of the projected monthly expenses for the Property that exceed the amount of the monthly base-year expenses for the calendar year \_\_\_\_\_ for:  taxes;  insurance;  CAM;  structural; and  \_\_\_\_\_
- (b) Expense-stop: Each month Tenant will pay Tenant’s pro rata share of the projected monthly expenses for the Property that exceed \$ \_\_\_\_\_ per square foot per year for:  taxes;  insurance;  CAM;  structural;  roof replacement; and  \_\_\_\_\_
- (c) Net: Each month Tenant will pay Tenant’s pro rata share of the projected monthly expenses for the Property for:  taxes;  insurance;  CAM;  structural;  roof replacement; and  pro rata of water, and dumpster.

(4) Projected Monthly Expenses: On or about December 31 of each calendar year, Landlord will project the applicable monthly expenses (those that Tenant is to pay under this lease) for the following calendar year and will notify Tenant of the projected expenses. The projected expenses are based on Landlord’s estimates of such expenses. The actual expenses may vary.

Notice: The applicable projected expenses at the time the lease commences are shown in the table below. The total area of the Property presently used by Landlord for calculating expense reimbursements is 15,500 \_\_\_\_\_ rentable square feet (including any add on factor for common areas).

Projected Expenses	
\$ Monthly Rate	\$ Annual Rate
0.67 / rsf / month	8.00 / rsf / year

(5) Reconciliation: Within 120 days after the end of each calendar year, Landlord will notify Tenant of the actual costs of the applicable expenses (those that Tenant is to pay under this lease) for the previous year. If the actual costs of the applicable expenses exceed the amounts paid or owed by Tenant for the previous year, Tenant must pay the deficient amount to Landlord within 30 days after Landlord notifies Tenant of the deficient amount. If the actual costs of the applicable expenses are less than the amounts paid by Tenant for the previous year, Landlord will refund the excess to Tenant or will credit the excess to Tenant’s next rent payment(s). Tenant may audit or examine those items in Landlord’s records that relate to Tenant’s obligations under this Paragraph 4J. Landlord will promptly refund to Tenant any overpayment revealed by an audit or examination. If the audit or examination reveals an error of more than 5% over the amounts Landlord collected in a calendar year from Tenant under this lease, Landlord will pay the reasonable cost of the audit or examination. Landlord may not seek a deficiency from Tenant under this paragraph if Landlord fails to timely provide the required notice.

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**5. SECURITY DEPOSIT:**

- A. Upon execution of this lease, Tenant will pay \$6,406.25 to Landlord as a security deposit.
- B. Landlord may apply the security deposit to any amounts owed by Tenant under this lease. If Landlord applies any part of the security deposit during any time this lease is in effect to amounts owed by Tenant, Tenant must, within 10 days after receipt of notice from Landlord, restore the security deposit to the amount stated.
- C. Within 60 days after Tenant surrenders the leased premises and provides Landlord written notice of Tenant's forwarding address, Landlord will refund the security deposit less any amounts applied toward amounts owed by Tenant or other charges authorized by this lease.

**6. TAXES:** Unless otherwise agreed by the parties, Landlord will pay all real property ad valorem taxes assessed against the leased premises. Tenant waives all rights to protest the appraised value of the leased premises and the Property, or appeal the same and all rights to receive notices of reappraisal set forth in sections 41.413 and 42.015 of the Texas Tax Code.

**7. UTILITIES:**

A. The party designated below will pay for the following utility charges to the leased premises and any connection charges for the utilities. *(Check all that apply.)*

	<u>N/A</u>	<u>Landlord</u>	<u>Tenant</u>
(1) Water	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(2) Sewer	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(3) Electric	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(4) Gas	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(5) Telephone	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(6) Internet	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(7) Cable	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(8) Trash	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(9) _____	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(10) All other utilities	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

B. The party responsible for the charges under Paragraph 7A will pay the charges directly to the utility service provider. The responsible party may select the utility service provider, except that if Tenant selects the provider, any access or alterations to the Property or leased premises necessary for the utilities may be made only with Landlord's prior consent, which Landlord will not unreasonably withhold. If Landlord incurs any liability for utility or connection charges for which Tenant is responsible to pay and Landlord pays such amount, Tenant will immediately upon written notice from Landlord reimburse Landlord such amount.

C. **Notice:** Tenant should determine if all necessary utilities are available to the leased premises and are adequate for Tenant's intended use.

D. **After-Hours HVAC Charges:** "HVAC services" mean heating, ventilating, and air conditioning of the leased premises. *(Check one box only.)*

- (1) Landlord is obligated to provide the HVAC services to the leased premises only during the Property's operating hours specified under Paragraph 9C.

- (2) Landlord will provide the HVAC services to the leased premises during the operating hours specified under Paragraph 9C for no additional charge and will, at Tenant's request, provide HVAC services to the leased premises during other hours for an additional charge of \$ \_\_\_\_\_ per hour. Tenant will pay Landlord the charges under this paragraph immediately upon receipt of Landlord's invoice. Hourly charges are charged on a half-hour basis. Any partial hour will be rounded up to the next half hour. Tenant will comply with Landlord's procedures to make a request to provide the additional HVAC services under this paragraph.
- (3) Tenant will pay for the HVAC services under this lease.

**8. INSURANCE:**

- A. During all times this lease is in effect, Tenant must, at Tenant's expense, maintain in full force and effect from an insurer authorized to operate in Texas:
  - (1) commercial general liability insurance naming Landlord as an additional insured with policy limits on an occurrence basis in a minimum amount of: *(check only (a) or (b) below)*
    - (a) \$1,000,000; or
    - (b) \$2,000,000.

If neither box is checked the minimum amount will be \$1,000,000.
  - (2) personal property damage insurance for the business operations being conducted in the leased premises and contents in the leased premises in an amount sufficient to replace such contents after a casualty loss; and
  - (3) business interruption insurance sufficient to pay 12 months of rent payments.
- B. Before the Commencement Date, Tenant must provide Landlord with a copy of insurance certificates evidencing the required coverage. If the insurance coverage is renewed or changes in any manner or degree at any time this lease is in effect, Tenant must, not later than 10 days after the renewal or change, provide Landlord a copy of an insurance certificate evidencing the renewal or change.
- C. If Tenant fails to maintain the required insurance in full force and effect at all times this lease is in effect, Landlord may:
  - (1) purchase insurance that will provide Landlord the same coverage as the required insurance and Tenant must immediately reimburse Landlord for such expense; or
  - (2) exercise Landlord's remedies under Paragraph 20.
- D. Unless the parties agree otherwise, Landlord will maintain in full force and effect insurance for: (1) fire and extended coverage in an amount to cover the reasonable replacement cost of the improvements of the Property; and (2) any commercial general liability insurance in an amount that Landlord determines reasonable and appropriate.
- E. If there is an increase in Landlord's insurance premiums for the leased premises or Property or its contents that is caused by Tenant, Tenant's use of the leased premises, or any improvements made by or for Tenant, Tenant will, for each year this lease is in effect, pay Landlord the increase immediately after Landlord notifies Tenant of the increase. Any charge to Tenant under this Paragraph 8E will be equal to the actual amount of the increase in Landlord's insurance premium.

**9. USE AND HOURS:**

- A. Tenant may use the leased premises for the following purpose and no other: Pilates Studio
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- B. Unless otherwise specified in this lease, Tenant will operate and conduct its business in the leased premises during business hours that are typical of the industry in which Tenant represents it operates.
- C. The Property maintains operating hours of (*specify hours, days of week, and if inclusive or exclusive of weekends and holidays*): minimum of 5 days a week, 8 hours per day

**10. LEGAL COMPLIANCE:**

- A. Tenant may not use or permit any part of the leased premises or the Property to be used for:
  - (1) any activity which is a nuisance or is offensive, noisy, or dangerous;
  - (2) any activity that interferes with any other tenant's normal business operations or Landlord's management of the Property;
  - (3) any activity that violates any applicable law, regulation, zoning ordinance, restrictive covenant, governmental order, owners' association rules, tenants' association rules, Landlord's rules or regulations, or this lease;
  - (4) any hazardous activity that would require any insurance premium on the Property or leased premises to increase or that would void any such insurance;
  - (5) any activity that violates any applicable federal, state, or local law, including but not limited to those laws related to air quality, water quality, hazardous materials, wastewater, waste disposal, air emissions, or other environmental matters;
  - (6) the permanent or temporary storage of any hazardous material; or
  - (7) any activity other than their permitted use

B. "Hazardous material" means any pollutant, toxic substance, hazardous waste, hazardous material, hazardous substance, solvent, or oil as defined by any federal, state, or local environmental law, regulation, ordinance, or rule existing as of the date of this lease or later enacted.

C. Landlord does not represent or warrant that the leased premises or Property conform to applicable restrictions, zoning ordinances, setback lines, parking requirements, impervious ground cover ratio requirements, and other matters that may relate to Tenant's intended use. Tenant must satisfy itself that the leased premises may be used as Tenant intends by independently investigating all matters related to the use of the leased premises or Property. Tenant agrees that it is not relying on any warranty or representation made by Landlord, Landlord's agent, or any broker concerning the use of the leased premises or Property.

**11. SIGNS:**

- A. Tenant may not post or paint any signs or place any decoration outside the leased premises or on the Property without Landlord's written consent. Landlord may remove any unauthorized sign or decorations, and Tenant will promptly reimburse Landlord for its cost to remove any unauthorized sign or decorations.
- B. Any authorized sign must comply with all laws, restrictions, zoning ordinances, and any governmental order relating to signs on the leased premises or Property. Landlord may temporarily remove any authorized sign to complete repairs or alterations to the leased premises or the Property.
- C. By providing written notice to Tenant before this lease ends, Landlord may require Tenant, upon move-out and at Tenant's expense, to remove, without damage to the Property or leased premises, any or all signs or decorations that were placed on the Property or leased premises by or at the request of Tenant. Any signs or decorations that Landlord does not require Tenant to remove and that are fixtures, become the property of the Landlord and must be surrendered to Landlord at the time this lease ends.

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**12. ACCESS BY LANDLORD:**

- A. During Tenant’s normal business hours Landlord may enter the leased premises for any reasonable purpose, including but not limited to purposes for repairs, maintenance, alterations, and showing the leased premises to prospective tenants or purchasers. Landlord may access the leased premises after Tenant’s normal business hours if: (1) entry is made with Tenant’s permission; or (2) entry is necessary to complete emergency repairs. Landlord will not unreasonably interfere with Tenant’s business operations when accessing the leased premises.
- B. During the last 90 \_\_\_\_\_ days of this lease, Landlord may place a “For Lease” or similarly worded sign on the leased premises.

**13. MOVE-IN CONDITION:** Tenant has inspected the leased premises and accepts it in its present (as-is) condition unless expressly noted otherwise in this lease or in an addendum. Landlord and any agent have made no express or implied warranties as to the condition or permitted use of the leased premises or Property.

**14. MOVE-OUT CONDITION AND FORFEITURE OF TENANT’S PERSONAL PROPERTY:**

- A. At the time this lease ends, Tenant will surrender the leased premises in the same condition as when received, except for normal wear and tear. Tenant will leave the leased premises in a clean condition free of all trash, debris, personal property, hazardous materials, and environmental contaminants.
- B. If Tenant leaves any personal property in the leased premises after Tenant surrenders possession of the leased premises, Landlord may: (1) require Tenant, at Tenant’s expense, to remove the personal property by providing written notice to Tenant; or (2) retain such personal property as forfeited property to Landlord.
- C. “Surrender” means vacating the leased premises and returning all keys and access devices to Landlord. “Normal wear and tear” means deterioration that occurs without negligence, carelessness, accident, or abuse.
- D. By providing written notice to Tenant before this lease ends, Landlord may require Tenant, upon move-out and at Tenant’s expense, to remove, without damage to the Property or leased premises, any or all fixtures that were placed on the Property or leased premises by or at the request of Tenant. Any fixtures that Landlord does not require Tenant to remove become the property of the Landlord and must be surrendered to Landlord at the time this lease ends.

**15. MAINTENANCE AND REPAIRS:**

- A. Cleaning: Tenant must keep the leased premises clean and sanitary and promptly dispose of all garbage in appropriate receptacles.  Landlord  Tenant will provide, at its expense, janitorial services to the leased premises that are customary and ordinary for the property type. Tenant will maintain any grease trap on the Property which Tenant uses, including but not limited to periodic emptying and cleaning, as well as making any modification to the grease trap that may be necessary to comply with any applicable law.
- B. Repairs of Conditions Caused by a Party: Each party must promptly repair a condition in need of repair that is caused, either intentionally or negligently, by that party or that party’s guests, patrons, invitees, contractors or permitted subtenants.
- C. Repair and Maintenance Responsibility: Except as otherwise provided by this Paragraph 15, the party designated below, at its expense, is responsible to maintain and repair the following specified items in the leased premises (if any). The specified items must be maintained in clean and good operable

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condition. If a governmental regulation or order requires a modification to any of the specified items, the party designated to maintain the item must complete and pay the expense of the modification. The specified items include and relate only to real property in the leased premises. Tenant is responsible for the repair and maintenance of its personal property. (Check all that apply.)

	N/A	Landlord	Tenant
(1) Foundation, exterior walls, and other structural components.....	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(2) Roof replacement.....	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(3) Roof repair.....	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(4) Glass and windows.....	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(5) Fire protection equipment .....	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(6) Fire sprinkler systems.....	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(7) Exterior and overhead doors, including closure devices, molding, locks, and hardware.....	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(8) Grounds maintenance, including landscaping and irrigation systems.....	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(9) Interior doors, including closure devices, frames, molding, locks, and hardware.....	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(10) Parking areas and walks.....	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(11) Plumbing systems, drainage systems and sump pumps.....	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(12) Electrical systems, mechanical systems.....	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(13) Ballast and lamp replacement.....	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(14) Heating, Ventilation and Air Conditioning (HVAC) systems.....	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(15) HVAC system replacement.....	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(16) Signs and lighting: .....	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(a) Pylon.....	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(b) Fascia.....	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(c) Monument.....	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(d) Door/Suite.....	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(e) Directional.....	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(f) Other: _____.....	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(17) Extermination and pest control, excluding wood-destroying insects..	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(18) Fences and Gates.....	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(19) Storage yards and storage buildings.....	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(20) Wood-destroying insect treatment and repairs.....	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(21) Cranes and related systems.....	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(22) _____.....	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(23) _____.....	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(24) All other items and systems.....	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

D. Repair Persons: Repairs must be completed by trained, qualified, and insured repair persons.

E. HVAC Service Contract: If Tenant maintains the HVAC system under Paragraph 15C(14), Tenant  is  is not required to maintain, at its expense, a regularly scheduled maintenance and service contract for the HVAC system. The maintenance and service contract must be purchased from a HVAC maintenance company that regularly provides such contracts to similar properties. If Tenant fails to maintain a required HVAC maintenance and service contract in effect at all times during this lease, Landlord may do so and Tenant will reimburse Landlord for the expense of such maintenance and service contract or Landlord may exercise Landlord’s remedies under Paragraph 20.

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- F. **Common Areas:** Landlord will maintain any common areas in the Property in a manner as Landlord determines to be in the best interest of the Property. Landlord will maintain any elevator and signs in the common area. Landlord may change the size, dimension, and location of any common areas, or allocate areas for short term or reserved parking for specific tenants, provided that such change does not materially impair Tenant’s use and access to the leased premises. Tenant has the non-exclusive license to use the common areas in compliance with Landlord’s rules and regulations. Tenant may not solicit any business in the common areas or interfere with any other person’s right to use the common areas. This paragraph does not apply if Paragraph 2A(2) applies.
- G. **Notice of Repairs:** Tenant must promptly notify Landlord of any item that is in need of repair and that is Landlord’s responsibility to repair. All requests for repairs to Landlord must be in writing.
- H. **Failure to Repair:** Landlord must make a repair for which Landlord is responsible within a reasonable period of time after Tenant provides Landlord written notice of the needed repair. If Tenant fails to repair or maintain an item for which Tenant is responsible within 10 days after Landlord provides Tenant written notice of the needed repair or maintenance, Landlord may: (1) repair or maintain the item, without liability for any damage or loss to Tenant, and Tenant must immediately reimburse Landlord for the cost to repair or maintain; or (2) exercise Landlord’s remedies under Paragraph 20.

**16. ALTERATIONS:**

- A. Tenant may not alter (including making any penetrations to the roof, exterior walls or foundation), improve, or add to the Property or the leased premises without Landlord’s written consent. Landlord will not unreasonably withhold consent for the Tenant to make reasonable non-structural alterations, modifications, or improvements to the leased premises.
- B. Tenant may not alter any locks or any security devices on the Property or the leased premises without Landlord’s consent. If Landlord authorizes the changing, addition, or rekeying of any locks or other security devices, Tenant must immediately deliver the new keys and access devices to Landlord.
- C. If a governmental order requires alteration or modification to the leased premises, the party obligated to maintain and repair the item to be modified or altered as designated in Paragraph 15 will, at its expense, modify or alter the item in compliance with the order and in compliance with Paragraphs 16A and 17.
- D. Any alterations, improvements, fixtures or additions to the Property or leased premises installed by either party during the term of this lease will become Landlord’s property and must be surrendered to Landlord at the time this lease ends, except for those fixtures Landlord requires Tenant to remove under Paragraph 11 or 14 or if the parties agree otherwise in writing.

**17. LIENS:** Tenant may not do anything that will cause the title of the Property or leased premises to be encumbered in any way. If Tenant causes a lien to be filed against the Property or leased premises, Tenant will within 20 days after receipt of Landlord’s demand: (1) pay the lien and have the lien released of record; or (2) take action to discharge the lien. Tenant will provide Landlord a copy of any release Tenant obtains pursuant to this paragraph.

**18. LIABILITY:** To the extent permitted by law, Landlord is NOT responsible to Tenant or Tenant’s employees, patrons, guests, or invitees for any damages, injuries, or losses to person or property caused by:

- A. an act, omission, or neglect of: Tenant; Tenant’s agent; Tenant’s guest; Tenant’s employees; Tenant’s patrons; Tenant’s invitees; or any other tenant on the Property;

B. fire, flood, water leaks, ice, snow, hail, winds, explosion, smoke, riot, strike, interruption of utilities, theft, burglary, robbery, assault, terrorism, vandalism, other persons, environmental contaminants, or other occurrences or casualty losses.

**19. INDEMNITY:** Each party will indemnify, defend, and hold the other party harmless from any property damage, personal injury, suits, actions, liabilities, damages, cost of repairs or service to the leased premises or Property, or any other loss caused, negligently or otherwise, by that party or that party's employees, patrons, guests, or invitees.

**20. DEFAULT:**

A. If Landlord fails to comply with this lease within 30 days after Tenant notifies Landlord of Landlord's failure to comply, Landlord will be in default and Tenant may seek any remedy provided by law. If, however, Landlord's non-compliance reasonably requires more than 30 days to cure, Landlord will not be in default if the cure is commenced within the 30-day period and is diligently pursued.

B. If Landlord does not actually receive at the place designated for payment any rent due under this lease within 5 days after it is due, Tenant will be in default. If Tenant fails to comply with this lease for any other reason within 20 days after Landlord notifies Tenant of its failure to comply, Tenant will be in default.

C. If Tenant is in default, Landlord may, with at least 3 days written notice to Tenant: (i) terminate this lease, or (ii) terminate Tenant's right to occupy the leased premises without terminating this lease and may accelerate all rents which are payable during the remainder of this lease or any renewal period. Landlord will attempt to mitigate any damage or loss caused by Tenant's breach by using commercially reasonable means. If Tenant is in default, Tenant will be liable for:

- (1) any lost rent;
- (2) Landlord's cost of reletting the leased premises, including brokerage fees, advertising fees, and other fees necessary to relet the leased premises;
- (3) repairs to the leased premises for use beyond normal wear and tear;
- (4) all Landlord's costs associated with eviction of Tenant, such as attorney's fees, court costs, and prejudgment interest;
- (5) all Landlord's costs associated with collection of rent such as collection fees, late charges, and returned check charges;
- (6) cost of removing any of Tenant's equipment or fixtures left on the leased premises or Property;
- (7) cost to remove any trash, debris, personal property, hazardous materials, or environmental contaminants left by Tenant or Tenant's employees, patrons, guests, or invitees in the leased premises or Property;
- (8) cost to replace any unreturned keys or access devices to the leased premises, parking areas, or Property; and
- (9) any other recovery to which Landlord may be entitled under this lease or under law.

**21. ABANDONMENT, INTERRUPTION OF UTILITIES, REMOVAL OF PROPERTY, AND LOCKOUT:** Chapter 93 of the Texas Property Code governs the rights and obligations of the parties with regard to: (a) abandonment of the leased premises; (b) interruption of utilities; (c) removal of Tenant's property; and (d) "lock-out" of Tenant.

**22. HOLDOVER:** If Tenant fails to vacate the leased premises at the time this lease ends, Tenant will become a tenant-at-will and must vacate the leased premises immediately upon receipt of demand from Landlord. No holding over by Tenant, with or without the consent of Landlord, will extend this lease. Tenant will indemnify Landlord and any prospective tenants for any and all damages caused by the holdover. Rent for any holdover period will be 150% of the base monthly rent plus any additional rent calculated on a daily basis and will be immediately due and payable daily without notice or demand.

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**23. LANDLORD'S LIEN AND SECURITY INTEREST:** To secure Tenant's performance under this lease, Tenant grants to Landlord a lien and security interest against all of Tenant's nonexempt personal property that is in the leased premises or on the Property. This lease is a security agreement for the purposes of the Uniform Commercial Code. Landlord may file a financing statement to perfect Landlord's security interest under the Uniform Commercial Code.

**24. ASSIGNMENT AND SUBLETTING:** Landlord may assign this lease to any subsequent owner of the Property. Tenant may not assign this lease or sublet any part of the leased premises without Landlord's written consent. An assignment of this lease or subletting of the leased premises without Landlord's written consent is voidable by Landlord. If Tenant assigns this lease or sublets any part of the leased premises, Tenant will remain liable for all of Tenant's obligations under this lease regardless if the assignment or sublease is made with or without the consent of Landlord.

**25. RELOCATION:**

- A. By providing Tenant with not less than 90 days advanced written notice, Landlord may require Tenant to relocate to another location in the Property, provided that the other location is equal in size or larger than the leased premises then occupied by Tenant and contains similar leasehold improvements. Landlord will pay Tenant's reasonable out-of-pocket moving expenses for moving to the other location. "Moving expenses" means reasonable expenses incurred by Tenant payable to professional movers, utility companies for connection and disconnection fees, wiring companies for connecting and disconnecting Tenant's office equipment required by the relocation, and printing companies for reprinting Tenant's stationery, business cards, and marketing materials containing Tenant's address. A relocation of Tenant will not change or affect any other provision of this lease that is then in effect, including rent and reimbursement amounts, except that the description of the suite or unit number will automatically be amended.
- B. Landlord may not require Tenant to relocate to another location in the Property without Tenant's prior consent.

**26. SUBORDINATION:**

- A. This lease and Tenant's leasehold interest are and will be subject, subordinate, and inferior to:
  - (1) any lien, encumbrance, or ground lease now or hereafter placed on the leased premises or the Property that Landlord authorizes;
  - (2) all advances made under any such lien, encumbrance, or ground lease;
  - (3) the interest payable on any such lien or encumbrance;
  - (4) any and all renewals and extensions of any such lien, encumbrance, or ground lease;
  - (5) any restrictive covenant affecting the leased premises or the Property; and
  - (6) the rights of any owners' association affecting the leased premises or Property.
- B. Tenant must, on demand, execute a subordination, attornment, and non-disturbance agreement that Landlord may request that Tenant execute, provided that such agreement is made on the condition that this lease and Tenant's rights under this lease are recognized by the lien-holder.

**27. ESTOPPEL CERTIFICATES AND FINANCIAL INFORMATION:**

- A. Within 10 days after receipt of a written request from Landlord, Tenant will execute and deliver to Landlord an estoppel certificate that identifies the terms and conditions of this lease.
- B. Within 30 days after receipt of a written request from Landlord, Tenant will provide to Landlord Tenant's current financial information (balance sheet and income statement). Landlord may request the financial information no more frequently than once every 12 months.

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**28. CASUALTY LOSS:**

- A. Tenant must immediately notify Landlord of any casualty loss in the leased premises. Within 20 days after receipt of Tenant’s notice of a casualty loss, Landlord will notify Tenant if the leased premises are less than or more than 50% unusable, on a per square foot basis, and if Landlord can substantially restore the leased premises within 120 days after Tenant notifies Landlord of the casualty loss.
- B. If the leased premises are less than 50% unusable and Landlord can substantially restore the leased premises within 120 days after Tenant notifies Landlord of the casualty, Landlord will restore the leased premises to substantially the same condition as before the casualty. If Landlord fails to substantially restore within the time required, Tenant may terminate this lease.
- C. If the leased premises are more than 50% unusable and Landlord can substantially restore the leased premises within 120 days after Tenant notifies Landlord of the casualty, Landlord may: (1) terminate this lease; or (2) restore the leased premises to substantially the same condition as before the casualty. If Landlord chooses to restore and does not substantially restore the leased premises within the time required, Tenant may terminate this lease.
- D. If Landlord notifies Tenant that Landlord cannot substantially restore the leased premises within 120 days after Tenant notifies Landlord of the casualty loss, Landlord may: (1) choose not to restore and terminate this lease; or (2) choose to restore, notify Tenant of the estimated time to restore, and give Tenant the option to terminate this lease by notifying Landlord within 10 days.
- E. If this lease does not terminate because of a casualty loss, rent will be reduced from the date Tenant notifies Landlord of the casualty loss to the date the leased premises are substantially restored by an amount proportionate to the extent the leased premises are unusable.

**29. CONDEMNATION:** If after a condemnation or purchase in lieu of condemnation the leased premises are totally unusable for the purposes stated in this lease, this lease will terminate. If after a condemnation or purchase in lieu of condemnation the leased premises or Property are partially unusable for the purposes of this lease, this lease will continue and rent will be reduced in an amount proportionate to the extent the leased premises are unusable. Any condemnation award or proceeds in lieu of condemnation are the property of Landlord and Tenant has no claim to such proceeds or award. Tenant may seek compensation from the condemning authority for its moving expenses and damages to Tenant’s personal property.

**30. ATTORNEY’S FEES:** Any person who is a prevailing party in any legal proceeding brought under or related to the transaction described in this lease is entitled to recover prejudgment interest, reasonable attorney’s fees, and all other costs of litigation from the nonprevailing party.

**31. REPRESENTATIONS:**

- A. Tenant's statements in this lease and any application for rental are material representations relied upon by Landlord. Each party signing this lease represents that he or she is of legal age to enter into a binding contract and is authorized to sign this lease. If Tenant makes any misrepresentation in this lease or in any application for rental, Tenant is in default.
- B. Landlord is not aware of any material defect on the Property that would affect the health and safety of an ordinary person or any environmental hazard on or affecting the Property that would affect the health or safety of an ordinary person, except: \_\_\_\_\_
- C. Each party and each signatory to this lease represents that: (1) it is not a person named as a Specially Designated National and Blocked Person as defined in Presidential Executive Order 13224; (2) it is not acting, directly or indirectly, for or on behalf of a Specially Designated and Blocked Person; and (3) is not

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arranging or facilitating this lease or any transaction related to this lease for a Specially Designated and Blocked Person. Any party or any signatory to this lease who is a Specially Designated and Blocked person will indemnify and hold harmless any other person who relies on this representation and who suffers any claim, damage, loss, liability or expense as a result of this representation.

**32. BROKERS:**

A. The brokers to this lease are:

Principal Broker: TPC Real Estate Copr

Cooperating Broker: NA

Agent: Peter Licata

Agent: Taylor Lovitt

Address:

Address:

Phone & Fax:

Phone & Fax:

E-mail:

E-mail:

License No.:

License No.:

Principal Broker: (Check only one box)

Cooperating Broker represents Tenant.

- represents Landlord only.
- represents Tenant only.
- is an intermediary between Landlord and Tenant.

B. Fees:

- (1) Principal Broker's fee will be paid according to: (Check only one box).
  - (a) a separate written commission agreement between Principal Broker and:
    - Landlord  Tenant.
  - (b) the attached Commercial Lease Addendum for Broker's Fee (TXR-2102).
- (2) Cooperating Broker's fee will be paid according to: (Check only one box).
  - (a) a separate written commission agreement between Cooperating Broker and:
    - Principal Broker  Landlord  Tenant.
  - (b) the attached Commercial Lease Addendum for Broker's Fee (TXR-2102).

**33. ADDENDA:** Incorporated into this lease are the addenda, exhibits and other information marked in the Addenda and Exhibit section of the Table of Contents. If Landlord's Rules and Regulations are made part of this lease, Tenant agrees to comply with the Rules and Regulations as Landlord may, at its discretion, amend from time to time.

**34. NOTICES:** All notices under this lease must be in writing and are effective when hand-delivered, mailed by certified mail return receipt requested, sent by a national or regional overnight delivery service that provides a delivery receipt, or sent by confirmed facsimile transmission to:

Landlord at: Headquarters TOO LLC  
 Address: 1431 Graham, Ste 175, Tomball, TX 77375  
 Attention: TPC Real Estate  
 Fax:

and a copy to:

Address: \_\_\_\_\_  
Attention: \_\_\_\_\_  
Fax: \_\_\_\_\_

Landlord also consents to receive notices by e-mail at: PETER@TPC-RE.COM

Tenant at the leased premises,

and to:

Address: \_\_\_\_\_  
Attention: \_\_\_\_\_  
Fax: \_\_\_\_\_

and a copy to:

Address: \_\_\_\_\_  
Attention: \_\_\_\_\_  
Fax: \_\_\_\_\_

Tenant also consents to receive notices by e-mail at: \_\_\_\_\_

**35. SPECIAL PROVISIONS:** The following special provisions apply and will control in the event of a conflict with other provisions of this lease. *(If special provisions are contained in an addendum, identify the applicable addendum on the cover page of this lease.)*

**36. AGREEMENT OF PARTIES:**

- A. Entire Agreement: This lease contains the entire agreement between Landlord and Tenant and may not be changed except by written agreement.
- B. Binding Effect: This lease is binding upon and inures to the benefit of the parties and their respective heirs, executors, administrators, successors, and permitted assigns.
- C. Joint and Several: All Tenants are jointly and severally liable for all provisions of this lease. Any act or notice to, or refund to, or signature of, any one or more of the Tenants regarding any term of this lease, its renewal, or its termination is binding on all Tenants.

- D. **Controlling Law:** The laws of the State of Texas govern the interpretation, performance, and enforcement of this lease.
- E. **Severable Clauses:** If any clause in this lease is found invalid or unenforceable by a court of law, the remainder of this lease will not be affected and all other provisions of this lease will remain valid and enforceable.
- F. **Waiver:** Landlord's delay, waiver, or non-enforcement of acceleration, contractual or statutory lien, rental due date, or any other right will not be deemed a waiver of any other or subsequent breach by Tenant or any other term in this lease.
- G. **Quiet Enjoyment:** Provided that Tenant is not in default of this lease, Landlord covenants that Tenant will enjoy possession and use of the leased premises free from material interference.
- H. **Force Majeure:** If the performance of any party to this lease is delayed by strike, lock-out, shortage of material, governmental restriction, riot, war, epidemic, pandemic, quarantine, or by other cause, without fault and beyond the control of the party obligated (financial inability excepted), performance of such act will be abated for the period of the delay; provided, however, nothing in this paragraph excuses Tenant from the prompt payment of rent or other charge, nor will Tenant's inability to obtain governmental approval for its intended use of the leased premises excuse any of Tenant's obligations hereunder.
- I. **Time:** Time is of the essence. The parties require strict compliance with the times for performance.
- J. **Counterparts:** If this lease is executed in a number of identical counterparts, each counterpart is an original and all counterparts, collectively, constitute one agreement.

**37. EFFECTIVE DATE:** The effective date of this lease is the date the last party executes this lease and initials any changes.

**38. LICENSE HOLDER DISCLOSURE:** Texas law requires a real estate license holder who is a party to a transaction or acting on behalf of a spouse, parent, child, business entity in which the license holder owns more than 10%, or a trust for which the license holder acts as a trustee or of which the license holder or the license holder's spouse, parent or child is a beneficiary, to notify the other party in writing before entering into a contract of sale or rental agreement. Disclose if applicable: License Holder owns more than 10% of property.



**Brokers are not qualified to render legal advice, property inspections, surveys, engineering studies, environmental assessments, tax advice, or compliance inspections. The parties should seek experts to render such services. READ THIS LEASE CAREFULLY. If you do not understand the effect of this Lease, consult your attorney BEFORE signing.**

**Landlord:** Headquarters TOO LLC

**Tenant:** \_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

By (signature):

By (signature):

Printed Name: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_ Date: \_\_\_\_\_

Title: \_\_\_\_\_ Date: \_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

By (signature):

By (signature):

Printed Name: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_ Date: \_\_\_\_\_

Title: \_\_\_\_\_ Date: \_\_\_\_\_

**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 Tex. Rev. Civ. Stat. Ann. Art. 5190.6, Section 4B, located in Harris County, Texas (the “TEDC”), and **Innersculpt Studio, LLC** (the “Company”), 971 Reverend B J Lewis Dr., Houston, TX 77060.

**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 promote local economic development and stimulate business and commercial activity within the City of Tomball (the “City”); and

**WHEREAS**, the Company proposes to lease a 1,600 square foot existing commercial space located at 1417 Graham Drive, Suite 600, Tomball, Texas 77375 (the “Property”), and more particularly described in Exhibit “A,” attached hereto and made a part hereof; and

**WHEREAS**, the Company proposes to open a Pilates Fitness Studio at the Property; and

**WHEREAS**, the Company proposes to create Two (2) full-time jobs in Tomball in conjunction with the new location; and

**WHEREAS**, the TEDC agrees to provide to the Company an amount equal to twenty-five percent (25%) of the base monthly rent for the first 12 consecutive months of operation not to exceed Ten Thousand Dollars (\$10,000.00), in accordance with an established Rental Assistance Incentive; and

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

**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 3, the Company covenants and agrees that it will operate and maintain the proposed business for a term of at least three (3) years within the City of Tomball.

2.

The Company also covenants and agrees that construction of the Improvements, the addition of the Two (2) new employees, and obtaining all necessary occupancy permits from the City shall occur within twelve (12) months from the Effective Date of this Agreement. Extensions of these deadlines, due to any extenuating circumstance or uncontrollable delay, may be granted at the sole discretion of the Board of Directors of the TEDC.

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 an amount equal to twenty-five percent (25%) of the base monthly rent for the first 12 consecutive months of operation not to exceed Ten Thousand Dollars (\$10,000.00). 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 Property; (b) proof that the Company has added the number of employees indicated above to its business operations on the Property, as evidenced by copies of Texas Workforce Commission form C-3 or Internal Revenue Service Form 941; and, (c) an affidavit from the landlord of the Property stating that all rents have been paid in accordance with the terms of the lease agreement for the first twelve consecutive months of operation.

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  $\frac{1}{2}\%$  per annum, within thirty (30) 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  $\frac{1}{2}\%$  per annum, within thirty (30) 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.

6.

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.

7.

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: Innersculpt Studio, LLC  
1417 Graham Drive, Suite 600  
Tomball, TX 77375  
Attn: Brennan Cross, Owner

8.

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.

9.

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.

10.

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. 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.

11.

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 \_\_\_\_\_ 2025 (the "Effective Date").

**INNERSCULPT STUDIO, LLC**

By: \_\_\_\_\_

Name: Brennan Cross

Title: Owner

ATTEST:

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**TOMBALL ECONOMIC DEVELOPMENT CORPORATION**

By: \_\_\_\_\_

Name: Gretchen Fagan

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 \_\_\_ 2025, by Brennan Cross, Owner of Innersculpt Studio, 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 \_4th\_ day of \_March\_ 2025, by Gretchen Fagan, 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)



**Exhibit "A"**  
**Legal Description of Property**

Property Address: 1417 Graham Drive, Suite 600, Tomball, TX 77375

DRAFT

# Regular Tomball EDC Agenda Item Data Sheet

Meeting Date: March 4, 2025

**Topic:**

Consideration and possible action by Tomball EDC to approve, as a Project of the Corporation, an agreement with the City of Tomball to make direct incentives to, or expenditures for, the upsizing of street trees in conjunction with the FM 2920/Main Street Rebuild Project located in the City of Tomball, Texas. The estimated amount of expenditures for such Project is \$1,500,000.00.

- Public Hearing

**Background:**

The TEDC received the attached request letter from David Esquivel, City Manager, requesting one-time funding assistance for the upsizing of street trees in conjunction with the FM 2920/Main Street Rebuild Project. This expenditure was discussed during the TEDC FY 2025 Budget process and has been included in the adopted budget.

This is an eligible project under the legislation that governs Type B sales tax corporations. If approved as a Project of the TEDC, it will go to the city council for final approval by resolution.

**Origination:** David Esquivel, City Manager, City of Tomball

**Recommendation:** Approval of the proposed Agreement with the City of Tomball

**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: # Main Street Rebuild (Upsizing of Trees)

If no, funds will be transferred from account # \_\_\_\_\_ To account # \_\_\_\_\_

Signed \_\_\_\_\_  
Staff Member-TEDC Date

Approved by \_\_\_\_\_  
Executive Director-TEDC Date



# City of Tomball

Item 14.

*Lori Klein Gunn*  
Mayor

*David Esquivel, PE*  
City Manager

February 10, 2025

Kelly Violette, Executive Director  
Tomball Economic Development Corporation  
29201 Quinn Road, Suite B  
Tomball, Texas 77375

RE: Main Street Rebuild Funding Request

Kelly,

As discussed during the fiscal year budget meeting, the City of Tomball is requesting financial assistance from the Tomball Economic Development Corporation for the Main Street Rebuild project. Financial assistance is being requested to support utility relocations and the enhancement of trees along the entire corridor in preparation for the upcoming TxDOT project.

The City is requesting a contribution of \$2,500,000 for FY 2025, which was allocated during the budget process.

The City has already allocated \$3,159,700 towards the project and is seeking \$2,500,000 in the current fiscal year to assist specifically with utility relocations and the enhancement of trees, as detailed below. The total estimated cost of the utility relocations is \$4 million, and the City will make requests for funding in future years for the remaining amounts of that project.

Project Element	Requested Amount	Occurrence
Utility Relocation	\$1,000,000 (out of \$4,000,000)	Recurring (estimated for 3 years)
Upsizing of Trees	\$1,500,000	One-time
<b>Total Requested Amount: \$2,500,000</b>		

Please let me know if you need any additional information regarding this project and the City's funding request.

Sincerely,

David Esquivel  
City Manager

**February 26, 2025**

**The Honorable Mayor and City Council  
City of Tomball  
401 West Market Street  
Tomball, Texas 77375**

**Re: Letter of Agreement for Funding of Upsizing of Trees on Main Street**

**Dear Mayor and Councilmembers:**

The City of Tomball (the “City”), by letter dated February 10, 2025 (the “Request Letter”), which is attached hereto as “Exhibit A”, requested financial assistance from the Tomball Economic Development Corporation (the “TEDC”) for the upsizing of street trees in conjunction with the FM 2920 Main Street Reconstruction Project (the “Project”). Through the Request Letter, the City has requested that the TEDC provide One Million Five Hundred Thousand Dollars (\$1,500,000) to fund the upsizing of the trees for the Project (the “Funds”).

**The TEDC hereby agrees to provide the Funds subject to the City’s acknowledgement and compliance with the following conditions:**

1. The transfer of Funds contemplated in this Letter of Agreement are subject to all applicable rules associated with a project of the TEDC as provided in Chapter 505 of the Texas Local Government Code;
2. The Funds shall be deposited in a City account dedicated to the Project and shall not be commingled with any other City funds;
3. The Funds shall only be used for the Project as provided herein;
4. The City shall keep a complete and accurate accounting of all expenditures of the Funds and make such records available to the TEDC; and
5. In the event the total amount of the Funds transferred by the TEDC to the City are not used to fund the upsizing of trees for the Project as provided herein, then upon completion of the Project, the City shall remit the remaining portion of the Funds to the TEDC.

If the above terms and conditions are acceptable to the City, please have an authorized officer of the City sign below acknowledging the City’s agreement and return this Letter of Agreement to the undersigned. Upon receipt of this signed Letter of Agreement, the TEDC’s Treasurer will be directed to transfer the Funds as provided above.

Yours very truly,

By: \_\_\_\_\_  
Gretchen Fagan, President  
Board of Directors

**AGREED AND ACCEPTED:**

**CITY OF TOMBALL, TEXAS**

\_\_\_\_\_  
Lori Klein Quinn, Mayor

**ATTEST:**

\_\_\_\_\_  
City Secretary

**DATE:**

\_\_\_\_\_

**EXHIBIT A: City's Request for Funding**

# Regular Tomball EDC Agenda Item Data Sheet

Meeting Date: March 4, 2025

**Topic:**

Consideration and possible action by Tomball EDC to approve, as a Project of the Corporation, an agreement with the City of Tomball to make direct incentives to, or expenditures for, the relocation of city utilities in conjunction with the FM 2920/Main Street Rebuild project located in the City of Tomball, Texas. The estimated amount of expenditures for such Project is \$1,000,000.00.

- Public Hearing

**Background:**

The TEDC received the attached request letter from David Esquivel, City Manager, requesting funding assistance for Phase I Utility Relocations (water, sewer, and gas) associated with the FM 2920/Main Street Rebuild Project. In the letter, the City of Tomball requests \$1,000,000 out of the FY 2025 TEDC Budget with the intent to request an additional \$3,000,000 over the next three years to complete the utility relocations.

This expenditure was discussed during the TEDC FY 2025 Budget process and has been included in the adopted budget.

This is an eligible project under the legislation that governs Type B sales tax corporations. If approved as a Project of the TEDC, it will go to the city council for final approval by resolution.

**Origination:** David Esquivel, City Manager, City of Tomball

**Recommendation:** Approval of the proposed Agreement with the City of Tomball

**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 \_\_\_\_\_  
Staff Member-TEDC Date

Approved by \_\_\_\_\_  
Executive Director-TEDC Date



# City of Tomball

Item 15.

*Lori Klein Gunn*  
Mayor

*David Esquivel, PE*  
City Manager

February 10, 2025

Kelly Violette, Executive Director  
Tomball Economic Development Corporation  
29201 Quinn Road, Suite B  
Tomball, Texas 77375

RE: Main Street Rebuild Funding Request

Kelly,

As discussed during the fiscal year budget meeting, the City of Tomball is requesting financial assistance from the Tomball Economic Development Corporation for the Main Street Rebuild project. Financial assistance is being requested to support utility relocations and the enhancement of trees along the entire corridor in preparation for the upcoming TxDOT project.

The City is requesting a contribution of \$2,500,000 for FY 2025, which was allocated during the budget process.

The City has already allocated \$3,159,700 towards the project and is seeking \$2,500,000 in the current fiscal year to assist specifically with utility relocations and the enhancement of trees, as detailed below. The total estimated cost of the utility relocations is \$4 million, and the City will make requests for funding in future years for the remaining amounts of that project.

Project Element	Requested Amount	Occurrence
Utility Relocation	\$1,000,000 (out of \$4,000,000)	Recurring (estimated for 3 years)
Upsizing of Trees	\$1,500,000	One-time
<b>Total Requested Amount: \$2,500,000</b>		

Please let me know if you need any additional information regarding this project and the City's funding request.

Sincerely,

David Esquivel  
City Manager



**February 26, 2025**

**The Honorable Mayor and City Council  
City of Tomball  
401 West Market Street  
Tomball, Texas 77375**

**Re: Letter of Agreement for Funding of Main Street Utility Relocations**

**Dear Mayor and Councilmembers:**

The City of Tomball (the “City”), by letter dated February 10, 2025 (the “Request Letter”), which is attached hereto as “Exhibit A”, requested financial assistance from the Tomball Economic Development Corporation (the “TEDC”) for the relocation of city utilities (water, sewer, and gas) in conjunction with the FM 2920 Main Street Reconstruction Project (the “Project”). Through the Request Letter, the City has requested that the TEDC provide One Million Dollars (\$1,000,000) to fund a portion of the utility relocations for the Project (the “Funds”).

**The TEDC hereby agrees to provide the Funds subject to the City’s acknowledgement and compliance with the following conditions:**

1. The transfer of Funds contemplated in this Letter of Agreement are subject to all applicable rules associated with a project of the TEDC as provided in Chapter 505 of the Texas Local Government Code;
2. The Funds shall be deposited in a City account dedicated to the Project and shall not be commingled with any other City funds;
3. The Funds shall only be used for the Project as provided herein;
4. The City shall keep a complete and accurate accounting of all expenditures of the Funds and make such records available to the TEDC; and
5. In the event the total amount of the Funds transferred by the TEDC to the City are not used to fund the utility relocations for the Project as provided herein, then upon completion of the Project, the City shall remit the remaining portion of the Funds to the TEDC.

If the above terms and conditions are acceptable to the City, please have an authorized officer of the City sign below acknowledging the City’s agreement and return this Letter of Agreement to

the undersigned. Upon receipt of this signed Letter of Agreement, the TEDC’s Treasurer will be directed to transfer the Funds as provided above.

**Yours very truly,**

**By:** \_\_\_\_\_  
**Gretchen Fagan, President**  
**Board of Directors**

**AGREED AND ACCEPTED:**

**CITY OF TOMBALL, TEXAS**

\_\_\_\_\_  
**Lori Klein Quinn, Mayor**

**ATTEST:**

\_\_\_\_\_

**DATE:**

\_\_\_\_\_

**EXHIBIT A: City's Request for Funding**

# Regular Tomball EDC Agenda Item Data Sheet

Meeting Date: March 4, 2025

**Topic:**

Consideration and possible action by Tomball EDC to approve, as a Project of the Corporation, an agreement with the City of Tomball to make direct incentives to, or expenditures for, improvements to the South Wastewater Treatment Plant Expansion project located in the City of Tomball, Texas. The estimated amount of expenditures for such Project is \$20,000,000.00.

- Public Hearing

**Background:**

The TEDC received the attached debt service contribution request from David Esquivel, City Manager, for funding assistance for the City’s South Wastewater Treatment Plant Expansion Project. The total estimated project cost is over \$70,000,000.

The TEDC previously approved and funded \$415,000 towards the design of the project. As indicated in the request letter, the city has and will continue to issue debt to finance the project over the next several years. This funding request is for an annual debt service payment of \$1,000,000 for the next 20 years. Additionally, the agreement consolidates the TEDC’s existing Debt Service agreements into one document.

This expenditure was discussed during the TEDC FY 2025 Budget process and has been included in the adopted budget.

This is an eligible project under the legislation that governs Type B sales tax corporations. If approved as a Project of the TEDC, it will go to the city council for final approval by resolution. This is an eligible project under the legislation that governs Type B sales tax corporations. If approved as a Project of the TEDC, it will go to the city council for final approval by resolution.

**Origination:** David Esquivel, City Manager, City of Tomball

**Recommendation:** Approval of the proposed Agreement with the City of Tomball

**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: #City Debt Service\_  
Southside Sewer Plant  
Expansion (2025)

If no, funds will be transferred from account # \_\_\_\_\_ To account # \_\_\_\_\_

Signed \_\_\_\_\_  
Staff Member-TEDC                      Date

Approved by \_\_\_\_\_  
Executive Director-TEDC                      Date



# City of Tomball

Item 16.

*Lori Klein ~~Gunn~~  
Mayor*

*David Esquivel, PE  
City Manager*

February 10, 2025

Kelly Violette, Executive Director  
Tomball Economic Development Corporation  
29201 Quinn Road, Suite B  
Tomball, Texas 77375

RE: Debt Service Contribution Request

Kelly,

As discussed in the fiscal year budget meeting, the City of Tomball is requesting financial assistance from the Tomball Economic Development Corporation to support debt service contributions for financing of the South Wastewater Treatment Plant expansion. This project is currently estimated to cost \$70,432,404 to complete. The City has and will continue to issue debt to finance the project over the next few years. The City is requesting an annual contribution of \$1,000,000 for the next 20 years to assist with debt payments related to this expansion.

This request comes at a time when the City is making a tremendous investment in infrastructure improvements related to growth. An estimated \$120 million will be invested by the City over the next 5 years. A comprehensive list of the major debt funded projects planned by the City is below.

Project	Bonded Amount
N. Sycamore Parking Lot	\$959,916.95
N. Elm Street Parking Lot	\$984,897.00
Telge Easement Acquisition	\$1,500,000.00
Pine Street EST Rehabilitation	\$293,276.31
Pine Street Well #2 Rehabilitation	\$440,560.00
East Water Plant	\$19,546,000
Baker Drive Water Plant	\$10,179,000
FM 2920 Lift Station Consolidation	\$15,474,100
South Wastewater Treatment Expansion	\$70,432,404
<b>Total Bond Issuances:</b>	<b>\$119,812,154.26</b>

Please let me know if you need any additional information regarding this project and the City's funding request.

Sincerely,

David Esquivel  
City Manager

**AGREEMENT BETWEEN THE CITY OF TOMBALL AND THE TOMBALL ECONOMIC DEVELOPMENT CORPORATION FOR THE CONSTRUCTION OF IMPROVEMENTS AND PAYMENT OBLIGATIONS ISSUED FOR AUTHORIZED TOMBALL ECONOMIC DEVELOPMENT CORPORATION PROJECTS**

THE STATE OF TEXAS §  
COUNTIES OF HARRIS AND MONTGOMERY §

This Agreement (the "Agreement") is entered into as of the \_\_\_ day of \_\_\_\_\_, 2025, by and between the CITY OF TOMBALL, TEXAS, a home-rule municipality (the "City"), and the TOMBALL ECONOMIC DEVELOPMENT CORPORATION, a Type B economic development corporation (the "TEDC"), collectively referred to as the "Parties," pursuant to the provisions of Chapters 501 and 505, Texas Local Government Code, as amended (the "Act").

**RECITALS**

WHEREAS, at an election held within the City on January 15, 1994, the voters approved a proposition authorizing the levy and collection of a sales and use tax within the City at the rate of one-half of one percent (the "Additional Sales Tax") as authorized by the Act for economic development purposes

WHEREAS, the Corporation was formed pursuant to the Act for the purpose, among others, of financing projects authorized by the Act. Pursuant to the provisions of the Act, the City collects the Additional Sales Tax and pays it to the Corporation.

WHEREAS, the City and TEDC previously entered into agreements related to the funding and construction of certain public improvements, including those outlined in Resolutions 2013-12 and 2016-25; and

WHEREAS, the Parties desire to supersede and consolidate those prior agreements into this Agreement, incorporating the terms and obligations set forth therein while also establishing new terms for the TEDC's participation in funding improvements to the South Wastewater Treatment Plant expansion; and

WHEREAS, the TEDC recognizes that the improvements to the City's wastewater infrastructure will promote economic development by supporting current and future business and commercial growth in the City; and

WHEREAS, pursuant to the Act, the TEDC Board of Directors has determined the City's South Wastewater Treatment Plant Expansion Project is an authorized project of the TEDC under the Act that will promote or develop new or expanded business enterprises that create or retain primary jobs; and

WHEREAS, the TEDC has agreed to provide annual payments to the City to assist in funding the construction of the expansion of the South Wastewater Treatment Plant; and

WHEREAS, the TEDC hereby finds that this Agreement is for the benefit of the Corporation and that all payments made hereunder are for authorized project costs under the Act.

WHEREAS, the City and the Corporation hereby find, determine, and declare that the respective meetings of the City Council of the City and the Board of Directors of the Corporation at which this Agreement was approved were open to the public and public notice of the time, place and subject matter of the public business to be considered and acted upon at said meeting, including this Agreement, was given, all as required by the applicable provisions of Chapter 551, Texas Government Code, as amended.

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements set forth herein, the City and TEDC agree as follows:

### **SECTION 1: PRIOR AGREEMENTS**

- A. All terms, conditions, and obligations set forth in prior agreements as adopted by Resolution 2013-12 (**EXHIBIT A**) AND 2016-15 (**EXHIBIT B**) are incorporated into this Agreement unless expressly modified herein.
- B. In the event of a conflict between this Agreement and those prior agreements adopted by Resolutions 2013-12 and 2016-15, this Agreement supersedes the prior agreements.

### **SECTION 2: TEDC ANNUAL PAYMENT TO THE CITY**

- A. TEDC agrees to contribute an annual payment to the City as outlined in the TEDC Payment Schedule (**EXHIBIT C**). The TEDC Payment Schedule includes payments previously agreed to in Resolutions 2013-12 and 2016-25, and an additional payment for the South Wastewater Treatment Plant Expansion.
- B. TEDC agrees to make the annual payments no later than September 30 of each year a payment is due beginning with the payment due in 2025 in accordance with the TEDC Payment Schedule.

### **SECTION 3: RESPONSIBILITIES OF THE CITY**

- A. The City shall oversee the design, permitting, and construction of the South Wastewater Treatment Plant expansion.
- B. The City shall provide TEDC with periodic reports on the progress of the project, including financial statements detailing the application of funds provided by TEDC.
- C. The City shall ensure that all improvements funded under this Agreement comply with applicable laws and regulations.



**SECTION 4: RESPONSIBILITIES OF THE TEDC**

- A. The TEDC shall provide the payments specified in Section 2 in accordance with the terms of this Agreement.
- B. TEDC shall have the right to request financial and project progress reports from the City to ensure that funds are being used in accordance with the intended purpose.

**SECTION 5: TERM AND TERMINATION**

- A. This Agreement shall remain in effect until all obligations under Section 2 have been fulfilled unless earlier terminated by mutual written agreement of the Parties.
- B. In the event of a material breach of this Agreement by either Party, the non-breaching Party shall provide written notice to the breaching Party specifying the nature of the breach. The breaching Party shall have thirty (30) days to cure the breach. If the breach is not cured within such time, the non-breaching Party may terminate this Agreement upon written notice.

**SECTION 6: GENERAL PROVISIONS**

- A. Governing Law: This Agreement shall be governed by and construed in accordance with the laws of the State of Texas.
- B. Severability: If any provision of this Agreement is held to be invalid or unenforceable, the remaining provisions shall continue in full force and effect.
- C. Entire Agreement: This Agreement constitutes the entire agreement between the Parties and supersedes any prior agreements or understandings, whether written or oral, relating to its subject matter.
- D. Amendments: This Agreement may not be amended except by a written instrument executed by both Parties.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

CITY OF TOMBALL, TEXAS

\_\_\_\_\_  
Lori Klein Quinn, Mayor

ATTEST:

\_\_\_\_\_  
City Secretary

TOMBALL ECONOMIC DEVELOPMENT CORPORATION

\_\_\_\_\_  
President, Board of Directors

ATTEST:

\_\_\_\_\_  
Secretary, Board of Directors

**EXHIBIT A**

RESOLUTION NO. 2013-12

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TOMBALL, TEXAS APPROVING AN AGREEMENT REGARDING THE CONSTRUCTION OF IMPROVEMENTS BETWEEN THE CITY OF TOMBALL, TEXAS AND THE TOMBALL ECONOMIC DEVELOPMENT CORPORATION

THE STATE OF TEXAS §
COUNTIES OF HARRIS AND MONTGOMERY §
CITY OF TOMBALL §

WHEREAS, the City of Tomball, Texas (the "City") and the Tomball Economic Development Corporation (the "Corporation") wish to proceed with the following: the construction and equipment of streets and traffic signals, the construction of storm sewer and drainage improvements, including improvements to the M-118 drainage channel and detention pond, and the construction of improvements to the City's water, sewer, and gas utility facilities, all of which infrastructure improvement projects will serve the Tomball Business and Technology Park (collectively, the "Project"); and

WHEREAS, the City and Corporation have determined that the most economical means of financing the costs of the Project is for the City to issue its Certificates of Obligation (the "Certificates") and for the Corporation to make the principal and interest payments on the Certificates associated with the Project;

WHEREAS, the City and the Corporation wish to enter into an agreement to set forth the terms and conditions for the City's issuance of the Certificates and the Corporation's payments of principal and interest on the Certificates; Now Therefore,

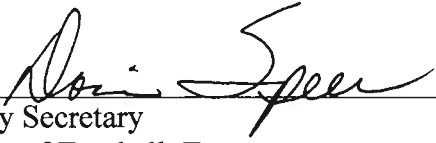
BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF TOMBALL, TEXAS:


Section 1: The City Council hereby approves the Agreement Regarding the Construction of Improvements between the City and the Corporation in substantially the form attached hereto as Exhibit A (the "Agreement"), with such changes as may be approved by the City Manager, and authorizes the Mayor to execute and the City Secretary to attest such Agreement.

Section 2: This resolution shall take effect immediately from and after its passage by the City Council of the City.

[Execution Page to Follow]

PASSED, APPROVED AND EFFECTIVE on the 18<sup>th</sup> day of February, 2013.

  
\_\_\_\_\_  
City Secretary  
City of Tomball, Texas

  
\_\_\_\_\_  
Mayor  
City of Tomball, Texas

[SEAL]

Exhibit A

**AGREEMENT REGARDING THE  
CONSTRUCTION OF IMPROVEMENTS**

**THE STATE OF TEXAS §  
COUNTIES OF HARRIS AND MONTGOMERY §**

This Agreement Regarding the Construction of Improvements (the "Agreement") is entered into as of the 18<sup>th</sup> day of February, 2013, between the CITY OF TOMBALL, TEXAS, a home rule municipality situated in Harris and Montgomery Counties, Texas (the "City") and the TOMBALL ECONOMIC DEVELOPMENT CORPORATION, a non-profit economic development corporation (the "Corporation") created and operating as a Type B corporation pursuant to the provisions of Chapters 501 and 505, Texas Local Government Code, as amended (formerly Article 5190.6, Vernon's Texas Revised Civil Statutes) (the "Act").

RECITALS

At an election held within the City on January 15, 1994, the voters approved a proposition authorizing the levy and collection of a sales and use tax within the City at the rate of one-half of one percent (the "Additional Sales Tax") as authorized by the Act for economic development purposes.

The Corporation was formed pursuant to the Act for the purpose, among others, of financing projects authorized by the Act. Pursuant to the provisions of the Act, the City collects the Additional Sales Tax and pays it to the Corporation.

The City is a home rule municipality with a population of less than 20,000.

Having complied with the legal prerequisites for undertaking the following project under the Act, the City and the Corporation now wish to proceed with: the construction and equipment of streets and traffic signals, the construction of storm sewer and drainage improvements, including improvements to the M-118 drainage channel and detention pond, and the construction of improvements to the City's water, sewer, and gas utility facilities, all of which infrastructure improvement projects will serve the Tomball Business and Technology Park (collectively, the "Project").

The Corporation hereby finds, determines and declares that the Project is an authorized project of the Corporation under the Act that is for the creation or retention of primary jobs and required or suitable for the development, retention and expansion of manufacturing facilities, recycling facilities, distribution centers, small warehouse, regional and corporate headquarters facilities, and primary training facilities for use by institutions of higher education, and that the expenditures on the Project are required or suitable for infrastructure necessary to promote new or expanded business enterprises.

The City and the Corporation have determined that the most economical means of financing the costs of the Project is for the City to issue its Certificates of Obligation, Series 2013 (the "Certificates") in the aggregate principal amount of approximately \$8,500,000 for the

purpose of the Project, and with the agreement of the Corporation to make payments to the City from the Additional Sales Tax in amounts sufficient to pay the debt service on the Certificates as and when it becomes due, all as more specifically detailed in the schedule described in Section 1.04(b) of this Agreement.

The Corporation hereby finds that this Agreement is for the benefit of the Corporation and that all payments made hereunder are for authorized project costs under the Act.

The City and the Corporation hereby find, determine, and declare that the respective meetings of the City Council of the City and the Board of Directors of the Corporation at which this Agreement was approved were open to the public and public notice of the time, place and subject matter of the public business to be considered and acted upon at said meeting, including this Agreement, was given, all as required by the applicable provisions of Chapter 551, Texas Government Code, as amended.

AGREEMENT

For and in consideration of the respective promises and mutual covenants and benefits hereinafter set forth, the City and the Corporation agree as follows:

ARTICLE I

THE PROJECTS

Section 1.01 Definitions, Declarations, Findings and Determinations. The definitions, declarations, determinations and findings contained in the recitals to this Agreement are hereby adopted, restated and made a part of the operative provisions hereof.

Section 1.02 Construction of the Project.

(a) The Corporation in consultation with the City agrees to prepare or cause to be prepared all plans and specifications required for the construction of the Projects, which costs shall be payable from funds to be paid by the Corporation. Copies of all such plans and specifications shall be provided to the City for review and approval prior to the commencement of the procurement process.

(b) The City agrees to contract with all individuals or entities necessary to complete the Projects in accordance with the plans, specifications and other construction documents. The Corporation and the City will jointly provide all construction and contract management services in connection with the construction of the Project. The public infrastructure improvements being financed with the Certificates will be owned by the City.

(c) To the extent allowed by law, drainage impact fees will be waived for the entire 120.8081 acre Tomball Business and Technology Park site as depicted on the Final Plat of Tomball Business and Technology Park.

(d) The costs of constructing the Project shall be payable from Certificate proceeds or other funds to be paid by the Corporation. The Corporation shall be responsible for and pay any

and all costs associated with the Project in excess of the Certificate proceeds allocated to the Project.

Section 1.03 Issuance of the Certificates. Subject to applicable legal restrictions, the City agrees to issue and sell the Certificates and to use the applicable portion of the proceeds from the sale of the Certificates to pay the costs of the Project and the costs of issuing the Certificates.

Section 1.04 Use of Additional Sales Tax. (a) The Corporation agrees to use the Additional Sales Tax, and any interest earned thereon, to make payments to the City in amounts sufficient to pay the principal of and interest on the Certificates and any bonds issued to refund the Certificates when due. Unless it receives the prior written consent of the City, the Corporation shall make such payments to the City prior to using the Additional Sales Tax, and any interest earned thereon, for any other lawful purposes of the Corporation.

(b) The City will provide the Corporation with a schedule of the principal and interest payments due on the Certificates issued for the Project upon the pricing of the Certificates. The Corporation agrees to pay to the City amounts sufficient to make each such principal and interest payment at least fifteen (15) days before such payment is due. Upon delivery of such schedule to the Corporation, which receipt shall be acknowledged by the Corporation, the schedule shall be considered incorporated into this Agreement. Upon the issuance of any bonds refunding the Certificates, the City will provide the Corporation with a revised schedule of principal and interest payments.

(c) The Corporation agrees that it will maintain an unencumbered fund balance of not less than \$2,000,000 at all times during the term of this Agreement.

(d) The Corporation agrees that during the term of this Agreement it will not borrow any money, issue any bonds or notes without the written approval of the City.

## ARTICLE II

### REPRESENTATIONS AND WARRANTIES

Section 2.01 Representations and Warranties of the City. (a) The City hereby confirms the earlier levy by the City of the Additional Sales Tax, and hereby warrants and represents that the City has duly and lawfully ordered the imposition and collection of the Additional Sales Tax upon all sales, uses and transactions as are permitted by and described in the Act throughout the boundaries of the City as such boundaries existed on the date of said election and as they may be expanded from time to time pursuant to applicable law.

(b) The City agrees to take and pursue all action permissible under applicable law to cause the Additional Sales Tax to be collected and remitted and deposited with the Corporation as required by the Act, at the earliest and most frequent times permitted by applicable law.

(c) The City agrees to do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the City under this Agreement.



Section 2.02 Representations and Warranties of the Corporation. (a) The Corporation represents and warrants that it is and will be authorized by applicable law and by its articles of incorporation and bylaws to enter into this Agreement and make the payments to the City in the manner and to the extent provided in this Agreement.

(b) The Corporation represents and warrants that the Project is an authorized project of the Corporation under the Act, and that the Corporation has taken all action and obtained all approvals required by law and the Corporation's bylaws in order to proceed with this Project and to undertake its obligations under this Agreement.

(c) The Corporation agrees to do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the Corporation under this Agreement.

(d) The Corporation represents and warrants that this Agreement constitutes a valid, legal and binding obligation of the Corporation enforceable in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws and principles of equity relating to or affecting creditors' rights, and that the execution and delivery of this Agreement will not conflict with or constitute a material breach of or a default under any agreement or instrument to which the Corporation is a party.

### ARTICLE III

#### MISCELLANEOUS PROVISIONS

Section 3.01 Term. This Agreement shall be in force and effect from the date of execution hereof until the date on which the Certificates or bonds issued to refund the Certificates are paid in full.

Section 3.02 Amendments and Supplements. This Agreement may be amended, supplemented or extended by mutual agreement of the parties hereto.

Section 3.03 Merger. This Agreement embodies the entire understanding between the parties hereto and there are no prior effective representations, warranties, or agreements between the parties hereto.

Section 3.04 Multiple Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original instrument and each will have the force and effect of an original and all of which together constitute, and will be deemed to constitute, one and the same instrument.

Section 3.05 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas.

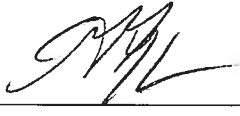
Section 3.06 Severability. The provisions of this Agreement are severable, and if any provision or part of this Agreement or the application hereof to any person or circumstance shall ever be held by any court of competent jurisdiction to be invalid or unconstitutional for any

reason, the remainder of this Agreement and the application of such provision or part of this Agreement to other persons or circumstances shall not be affected thereby.

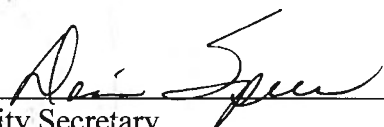
[Execution Page Follows]

EXECUTED in multiple counterparts as of the date first written above.

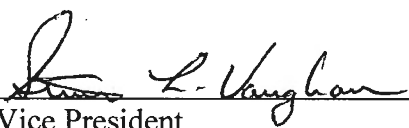
CITY OF TOMBALL, TEXAS

By:   
Mayor

ATTEST:

By:   
City Secretary

TOMBALL ECONOMIC  
DEVELOPMENT CORPORATION

By:   
Vice President

ATTEST:

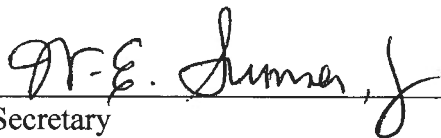
By:   
Secretary

Exhibit A

**SCHEDULE I**

**DEBT SERVICE SCHEDULE FOR THE CERTIFICATES**

**CERTIFICATE FOR RESOLUTION**

THE STATE OF TEXAS §  
COUNTIES OF HARRIS AND MONTGOMERY §  
CITY OF TOMBALL §

I, the undersigned officer of the City Council of City of Tomball, Texas, hereby certify as follows:

1. The City Council of City of Tomball, Texas convened in a special meeting on the 18<sup>th</sup> day of February, 2013, at the regular meeting place thereof within said City, and the roll was called of the duly constituted officers and members of said City Council, to wit:

- |                      |  |
|----------------------|--|
| Gretchen Fagan       | Mayor                                      |
| F.S. "Field" Hudgens | Council Member, Position #1                |
| Mark Stoll           | Council Member, Position #2                |
| Rick Brown           | Council Member, Position #3, Mayor Pro-Tem |
| Derek Townsend Sr.   | Council Member, Position #4                |
| Preston L. Dodson    | Council Member, Position #5                |

and all of said persons were present, except the following absentee(s): None, thus constituting a quorum. Whereupon, among other business, the following was transacted at said meeting: a written

RESOLUTION NO. 2013-12

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TOMBALL, TEXAS APPROVING AN AGREEMENT REGARDING THE CONSTRUCTION OF IMPROVEMENTS BETWEEN THE CITY OF TOMBALL, TEXAS AND THE TOMBALL ECONOMIC DEVELOPMENT CORPORATION

was duly introduced for the consideration of said City Council and read in full. It was then duly moved and seconded that said resolution be adopted; and, after due discussion, said motion, carrying with it the adoption of said resolution, prevailed and carried by the following vote:

AYES: 5

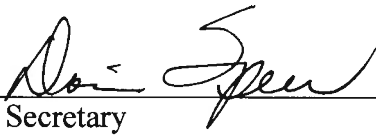
NOES: 0

ABSTENTIONS: 0

2. A true, full and correct copy of the aforesaid resolution adopted at the meeting described in the above and foregoing paragraph is attached to and follows this certificate; that said resolution has been duly recorded in said City Council's minutes of said meeting; that the above and foregoing paragraph is a true, full and correct excerpt from said City Council's minutes of said meeting pertaining to the adoption of said resolution; that the persons named in

the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of said City Council as indicated therein; that each of the officers and members of said City Council was duly and sufficiently notified officially and personally, in advance, of the date, hour, place and purpose of the aforesaid meeting, and that said resolution would be introduced and considered for adoption at said meeting, and each of said officers and members consented, in advance, to the holding of said meeting for such purpose; that said meeting was open to the public as required by law; and that public notice of the date, hour, place and subject of said meeting was given as required by the Texas Open Meetings Act.

SIGNED AND SEALED the 18<sup>th</sup> day of February, 2013.

  
\_\_\_\_\_  
City Secretary  
City of Tomball, Texas

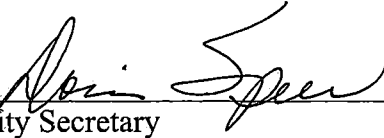
[SEAL]


**EXHIBIT B**





**PASSED, APPROVED AND EFFECTIVE** on the 21st day of November, 2016.

  
\_\_\_\_\_  
City Secretary  
City of Tomball, Texas

  
\_\_\_\_\_  
Mayor  
City of Tomball, Texas

[SEAL]

**AGREEMENT REGARDING THE  
CONSTRUCTION OF IMPROVEMENTS**

THE STATE OF TEXAS §  
COUNTIES OF HARRIS AND MONTGOMERY §

This Agreement Regarding the Construction of Improvements (the "Agreement") is entered into as of the 21st day of November, 2016, between the CITY OF TOMBALL, TEXAS, a home rule municipality situated in Harris and Montgomery Counties, Texas (the "City") and the TOMBALL ECONOMIC DEVELOPMENT CORPORATION, a non-profit economic development corporation (the "Corporation") created and operating as a Type B corporation pursuant to the provisions of Chapters 501 and 505, Texas Local Government Code, as amended (formerly Article 5190.6, Vernon's Texas Revised Civil Statutes) (the "Act").

RECITALS

At an election held within the City on January 15, 1994, the voters approved a proposition authorizing the levy and collection of a sales and use tax within the City at the rate of one-half of one percent (the "Additional Sales Tax") as authorized by the Act for economic development purposes.

The Corporation was formed pursuant to the Act for the purpose, among others, of financing projects authorized by the Act. Pursuant to the provisions of the Act, the City collects the Additional Sales Tax and pays it to the Corporation.

The City is a home rule municipality with a population of less than 20,000.

In accordance with the Act, the City and the Corporation now wish to proceed with the acquisition of land for and the construction and equipment of an extension of Persimmon Street and Medical Complex Drive, including related storm sewer, drainage and water, sewer and gas utility improvements (collectively, the "Project").

The Corporation hereby finds, determines and declares that the Project is an authorized project of the Corporation under the Act that will promote or develop new or expanded business enterprises that create or retain primary jobs.

The City and the Corporation have determined that the most economical means of financing the costs of the Project is for the City to issue its Tax and Revenue Certificates of Obligation, Series 2016 (the "Certificates"), with the agreement of the Corporation to make payments to the City from the Additional Sales Tax in amounts sufficient to pay the \$4,000,000 in principal amount of the Certificates allocated to the EDC's portion of the Project as and when it becomes due, all as more specifically detailed in the schedule described in Section 1.04(b) of this Agreement.

The Corporation hereby finds that this Agreement is for the benefit of the Corporation and that all payments made hereunder are for authorized project costs under the Act.

The City and the Corporation hereby find, determine, and declare that the respective meetings of the City Council of the City and the Board of Directors of the Corporation at which this Agreement was approved were open to the public and public notice of the time, place and subject matter of the public business to be considered and acted upon at said meeting, including this Agreement, was given, all as required by the applicable provisions of Chapter 551, Texas Government Code, as amended.

AGREEMENT

For and in consideration of the respective promises and mutual covenants and benefits hereinafter set forth, the City and the Corporation agree as follows:

ARTICLE I

THE PROJECTS

Section 1.01 Definitions, Declarations, Findings and Determinations. The definitions, declarations, determinations and findings contained in the recitals to this Agreement are hereby adopted, restated and made a part of the operative provisions hereof.

Section 1.02 Construction of the Project.

(a) The City agrees to prepare or cause to be prepared all plans and specifications required for the construction of the Project.

(b) The City agrees to contract with all individuals or entities necessary to complete the Project in accordance with the plans, specifications and other construction documents. The City will provide all construction and contract management services in connection with the construction of the Project. The public infrastructure improvements being financed with the Certificates will be owned by the City.

(c) The costs of constructing the Project shall be payable from Certificate proceeds or other funds to be paid by the Corporation.

Section 1.03 Issuance of the Certificates. Subject to applicable legal restrictions, the City agrees to issue and sell the Certificates and to use the applicable portion of the proceeds from the sale of the Certificates to pay the costs of the Project and the costs of issuing the Certificates.

Section 1.04 Use of Additional Sales Tax. (a) The Corporation agrees to use the Additional Sales Tax, and any interest earned thereon, to make payments to the City in amounts equal to the principal amount of the portion of the Certificates issued for the Project and any bonds issued to refund such portion of the Certificates when due as provided in Schedule I of this Agreement, which is incorporated herein for all purposes. Unless it receives the prior written consent of the City, the Corporation shall make such payments to the City prior to using the Additional Sales Tax, and any interest earned thereon, for any other lawful purposes of the Corporation.

(b) The Corporation agrees to pay to the City amounts sufficient to make each Project payment described in Schedule I at least fifteen (15) days before each principal payment on the Certificates or any bonds issued to refund the Certificates is due.

(c) The Corporation agrees that it will maintain an unencumbered fund balance of not less than \$2,000,000 at all times during the term of this Agreement.

(d) The Corporation agrees that during the term of this Agreement it will not borrow any money, issue any bonds or notes without the written approval of the City.

## ARTICLE II

### REPRESENTATIONS AND WARRANTIES

Section 2.01 Representations and Warranties of the City. (a) The City hereby confirms the earlier levy by the City of the Additional Sales Tax, and hereby warrants and represents that the City has duly and lawfully ordered the imposition and collection of the Additional Sales Tax upon all sales, uses and transactions as are permitted by and described in the Act throughout the boundaries of the City as such boundaries existed on the date of said election and as they may be expanded from time to time pursuant to applicable law.

(b) The City agrees to take and pursue all action permissible under applicable law to cause the Additional Sales Tax to be collected and remitted and deposited with the Corporation as required by the Act, at the earliest and most frequent times permitted by applicable law.

(c) The City agrees to do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the City under this Agreement.

Section 2.02 Representations and Warranties of the Corporation. (a) The Corporation represents and warrants that it is and will be authorized by applicable law and by its articles of incorporation and bylaws to enter into this Agreement and make the payments to the City in the manner and to the extent provided in this Agreement.

(b) The Corporation represents and warrants that the Project is an authorized project of the Corporation under the Act, and that the Corporation has taken all action and obtained all approvals required by law and the Corporation's bylaws in order to proceed with this Project and to undertake its obligations under this Agreement.

(c) The Corporation agrees to do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the Corporation under this Agreement.

(d) The Corporation represents and warrants that this Agreement constitutes a valid, legal and binding obligation of the Corporation enforceable in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws and principles of equity relating to or affecting creditors' rights, and that the execution and delivery of this Agreement will not conflict with or constitute a material breach of or a default under any agreement or instrument to which the Corporation is a party.

## ARTICLE III

## MISCELLANEOUS PROVISIONS

Section 3.01 Term. This Agreement shall be in force and effect from December 20, 2016 until the date on which the Certificates or bonds issued to refund the Certificates are paid in full.

Section 3.02 Amendments and Supplements. This Agreement may be amended, supplemented or extended by mutual agreement of the parties hereto.

Section 3.03 Merger. This Agreement embodies the entire understanding between the parties hereto and there are no prior effective representations, warranties, or agreements between the parties hereto.

Section 3.04 Multiple Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original instrument and each will have the force and effect of an original and all of which together constitute, and will be deemed to constitute, one and the same instrument.

Section 3.05 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas.

Section 3.06 Severability. The provisions of this Agreement are severable, and if any provision or part of this Agreement or the application hereof to any person or circumstance shall ever be held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, the remainder of this Agreement and the application of such provision or part of this Agreement to other persons or circumstances shall not be affected thereby.

[Execution Page Follows]

EXECUTED in multiple counterparts as of the date first written above.

CITY OF TOMBALL, TEXAS

By:   
Mayor

ATTEST:

By:   
City Secretary

TOMBALL ECONOMIC  
DEVELOPMENT CORPORATION

By:   
Vice President, Board of Directors

ATTEST:

By:   
Secretary, Board of Directors

**SCHEDULE I**

**Project Payment Schedule**

<u>Principal Maturity Date (February 15)</u>	<u>Project Payments</u>
2020	\$ 222,222
2021	222,222
2022	222,222
2023	222,222
2024	222,222
2025	222,222
2026	222,222
2027	222,222
2028	222,222
2029	222,222
2030	222,222
2031	222,222
2032	222,222
2033	222,222
2034	222,222
2035	222,222
2036	222,222
2037	222,226
<hr/> <b>Total</b>	<hr/> <b>\$ 4,000,000</b>

**CERTIFICATE FOR RESOLUTION**

THE STATE OF TEXAS §  
COUNTIES OF HARRIS AND MONTGOMERY §  
CITY OF TOMBALL §

I, the undersigned officer of the City Council of City of Tomball, Texas, hereby certify as follows:

1. The City Council of City of Tomball, Texas convened in a regular meeting on the 21<sup>st</sup> day of November, 2016, at the regular meeting place thereof within said City, and the roll was called of the duly constituted officers and members of said City Council, to wit:

- |                      |  |
|----------------------|--|
| Gretchen Fagan       | Mayor                                      |
| F.S. "Field" Hudgens | Council Member, Position #1                |
| Mark Stoll           | Council Member, Position #2                |
| Chad Degges          | Council Member, Position #3                |
| Derek Townsend Sr.   | Council Member, Position #4                |
| Lori Klein Quinn     | Council Member, Position #5, Mayor Pro Tem |

and all of said persons were present, except the following absentee(s): None, thus constituting a quorum. Whereupon, among other business, the following was transacted at said meeting: a written

**RESOLUTION NO. 2016-25**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TOMBALL, TEXAS APPROVING AN AGREEMENT REGARDING THE CONSTRUCTION OF IMPROVEMENTS BETWEEN THE CITY OF TOMBALL, TEXAS AND THE TOMBALL ECONOMIC DEVELOPMENT CORPORATION**

was duly introduced for the consideration of said City Council and read in full. It was then duly moved and seconded that said resolution be adopted; and, after due discussion, said motion, carrying with it the adoption of said resolution, prevailed and carried by the following vote:

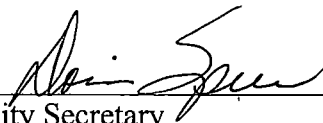
AYES: 5  
NOES: 0  
ABSTENTIONS: 0

2. A true, full and correct copy of the aforesaid resolution adopted at the meeting described in the above and foregoing paragraph is attached to and follows this certificate; that said resolution has been duly recorded in said City Council's minutes of said meeting; that the above and foregoing paragraph is a true, full and correct excerpt from said City Council's minutes of said meeting pertaining to the adoption of said resolution; that the persons named in



the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of said City Council as indicated therein; that each of the officers and members of said City Council was duly and sufficiently notified officially and personally, in advance, of the date, hour, place and purpose of the aforesaid meeting, and that said resolution would be introduced and considered for adoption at said meeting, and each of said officers and members consented, in advance, to the holding of said meeting for such purpose; that said meeting was open to the public as required by law; and that public notice of the date, hour, place and subject of said meeting was given as required by the Texas Open Meetings Act.

SIGNED AND SEALED the 21<sup>st</sup> day of November, 2016.

  
\_\_\_\_\_  
City Secretary  
City of Tomball, Texas

[SEAL]

**EXHIBIT C**  
**TEDC DEBT SERVICE PAYMENT SCHEDULE**

<b>YEAR</b>	<b>PAYMENTS OBLIGATED IN RES. 2013-12 SERIES 2013 BUSINESS PARK INFRASTRUCTURE</b>	<b>PAYMENTS OBLIGATED IN RES. 2016-25 SERIES 2016 MEDICAL COMPLEX DRIVE SECTION 4B &amp; PERSIMMON ST.</b>	<b>SOUTH WASTEWATER TREATMENT PLANT EXPANSION</b>	<b>ANNUAL PAYMENT</b>
2025	\$547,312.50	\$222,222.00	\$1,000,000.00	\$1,769,534.50
2026	\$548,412.50	\$222,222.00	\$1,000,000.00	\$1,770,634.50
2027	\$548,737.50	\$222,222.00	\$1,000,000.00	\$1,770,959.50
2028	\$548,275.00	\$222,222.00	\$1,000,000.00	\$1,770,497.00
2029	\$551,925.00	\$222,222.00	\$1,000,000.00	\$1,774,147.00
2030	\$549,056.25	\$222,222.00	\$1,000,000.00	\$1,771,278.25
2031	\$549,600.00	\$222,222.00	\$1,000,000.00	\$1,771,822.00
2032	\$549,075.00	\$222,222.00	\$1,000,000.00	\$1,771,297.00
2033	\$548,100.00	\$222,222.00	\$1,000,000.00	\$1,770,322.00
2034		\$222,222.00	\$1,000,000.00	\$1,222,222.00
2035		\$222,222.00	\$1,000,000.00	\$1,222,222.00
2036		\$222,222.00	\$1,000,000.00	\$1,222,222.00
2037		\$222,226.00	\$1,000,000.00	\$1,222,226.00
2038			\$1,000,000.00	\$1,000,000.00
2039			\$1,000,000.00	\$1,000,000.00
2040			\$1,000,000.00	\$1,000,000.00
2041			\$1,000,000.00	\$1,000,000.00
2042			\$1,000,000.00	\$1,000,000.00
2043			\$1,000,000.00	\$1,000,000.00
2044			\$1,000,000.00	\$1,000,000.00

# Regular Tomball EDC Agenda Item Data Sheet

Meeting Date: March 4, 2025

**Topic:**

Discussion regarding design options for Old Town Tomball Billboard Signs.

**Background:**

On November 12, 2024, the TEDC Board of Directors approved two strategically located billboard signs to assist in marketing Old Town Tomball. Since that time, staff has been working with Clear Channel on design options and would like Board Member feedback before moving forward.

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

**Recommendation:** Discussion item only; no Board action required.

**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


VISIT OLD TOWN

# Tomball

SHOP DINE STAY PLAY

Clear Channel

*Discover...* **OLD TOWN**  
**TOMBALL**  
**DINE! SHOP! PLAY!**

 Clear Channel

**WELCOME  
TO OLD TOWN  
TOMBALL  
DINE SHOP PLAY**

Clear Channel

**Welcome to**  
**Old Town**  
**Tomball**



**Shop local.**



*Visit*  
**HISTORIC**

**TOMBALL**

**SHOP DINE STAY PLAY**

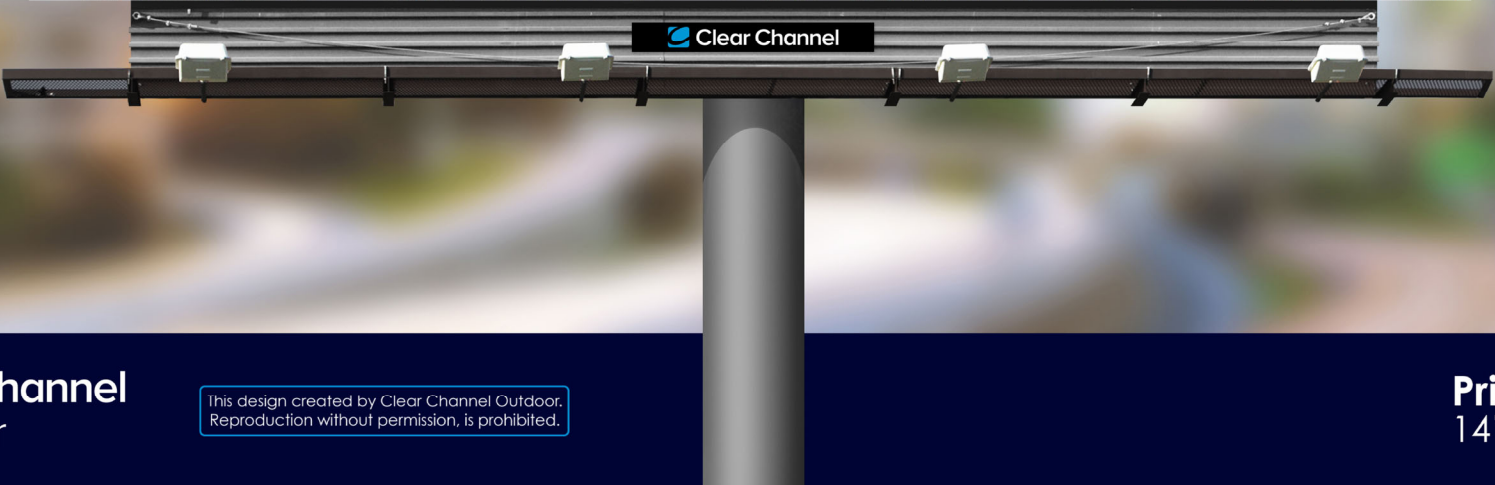


*Visit Historic*  
**TOMBALL**  
SHOP • DINE • STAY PLAY

— VISIT HISTORIC —

# TOMBALL

— SHOP DINE STAY PLAY —





# Regular Tomball EDC Agenda Item Data Sheet

Meeting Date: March 4, 2025

**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.

**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 4, 2025

**Topic:**

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

**Background:**

**Origination:** Kelly Violette, 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: # \_\_\_\_\_

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 4, 2025

**Topic:**

TEDC Quarterly update on 2023-2024 Strategic Work Plan.

**Background:**

**Origination:** Kelly Violette, Executive 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

## 2024 – 2025 STRATEGIC PLAN: ACCOMPLISHMENTS

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### GOAL 1: BUSINESS RETENTION & EXPANSION (BRE)

***To continually engage and assist in the success of Tomball businesses.***

1. Conduct 9 BRE on-site or virtual visits per quarter and report feedback from visits to board.
2. Conduct an annual online business survey to identify and manage business needs.
3. Continue the Grow Tomball initiative to highlight and promote local businesses.
  - (a) Share success stories on the Tomball EDC website.
  - (b) Support Tomball EDC podcasts.
  - (c) Develop video success stories to be added to the Tomball EDC website.
  - (d) Expand reach using YouTube, Google SEO, Instagram Reels, and paid ads.
  - (e) Explore creative ways to increase public exposure.
4. Produce programming that meets the needs of the existing industry leaders in Tomball.
  - (a) Host 2 networking events.
  - (b) Host 1 Outlook Luncheon.
5. Provide resources/access to information to assist local businesses with demographic and market data using SizeUp.
6. Support “Made in Tomball” Initiative.
7. Explore programming and financial incentives to help existing industries expand.

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### STATUS/UPDATES

- 18 site visits have been conducted with the necessary follow-up from each visit.
- A Business Retention and Expansion (BRE) Survey was sent out Q4 of 2024



- 2 new success stories have been added to the TEDC website. These are updated quarterly.
  - Keep it Simple and Pink
  - Baker Hughes STEM
- All video success stories have been uploaded to the new TEDC YouTube page to help broaden exposure.
- 1 new video success story (Keep it Simple and Pink) has been uploaded to the TEDC website under the new Media Page.
- Business networking event “Mix and Jingle” was held on December 12<sup>th</sup> at Paradigm Brewing Co.

## **GOAL 2: ATTRACTION & RECRUITMENT**

### ***Recruit and secure new business/industry that are suitable for Tomball.***

1. Continue developing and maintaining relationships with businesses, site selectors, brokers, and developers, and maintain an awareness of available real estate properties within the community.
2. Support infill and redevelopment opportunities to attract new private sector investment.
3. Explore public financing tools including Tax Increment Reinvest Zones (TIRZ) to finance infrastructure improvements and encourage development/redevelopment projects.
4. Support local and emerging entrepreneurs.
  - (a) Provide workshops emphasizing financial literacy, business management, marketing, networking, recruitment, etc. that will help their businesses grow or be more profitable.
5. Create an Incentives Policy to guide the TEDC in evaluating economic incentives.
6. Use targeted recruitment techniques to pinpoint potential companies within the TEDC's target industries in areas that are favorable for relocation or expansion.
7. Refresh website and online materials to maintain up-to-date information in a dynamic and user-friendly interface.
  - (a) Update target industry information, make the incentives tab easier to find, and update data and demographics.

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## STATUS/UPDATES

- Ongoing coordination with COT regarding needed infrastructure in targeted areas.
- TEDC has hosted a 4-part webinar series to help emerging entrepreneurs and existing business owners to be more profitable.
  - 1<sup>st</sup> Webinar March 26<sup>th</sup> - The E-Com Growth Roadmap - presented by Josh Orr, Capital Commerce
  - 2<sup>nd</sup> Webinar June 11<sup>th</sup> – Security in an Insecure World - presented by James Morrison, Intelisys
  - 3<sup>rd</sup> Webinar September 26<sup>th</sup> – How to Effectively Use AI tools for your small business - presented by Andrew Brockenbush, Beefy Marketing
  - 4<sup>th</sup> Webinar December 12<sup>th</sup> – Catalytic Leadership for 2025 – presented by Dr. William Attaway, Catalytic Leadership
- Marketing and Branding efforts continue to be updated to reflect a “We Mean Business” theme.
- Staff is working with a consultant on a formal Incentive Policy. Presentation of Policy at the 2025-2026 Strategic Plan Workshop on March 25<sup>th</sup>.
- Targeted marketing is accomplished through custom audience targeting optimization through MultiView:
  - 1,142,857 Display Impressions
  - 400,000 Video Impressions
  - TEDC ads are performing at an .07% CTR which is above the industry average of .05%
- The TEDC website has been updated with the creation of a new “Media” page as well as updates to the SYEP page.
- Staff continues to work with Beefy Marketing on the TEDC Social Media Campaign to strengthen identity and resources.

**GOAL 3: DEVELOPMENT/REDEVELOPMENT OF OLD TOWN*****To encourage quality investment in Tomball's Old Town***

1. Partner with the City of Tomball on targeted infrastructure improvements (alleyways, parking, wayfinding, etc.)
  - (a.) Partner with stakeholders to help minimize construction disruption and to provide additional marketing assistance for those businesses who do experience disruption.
2. Continue to plan for and improve parking and pedestrian access.
  - (a.) Consider needed improvements.
  - (b.) Fund wayfinding in Old Town directing people to parking.
3. First Baptist Church Project:
  - (a.) Initiate planning process.
4. Create a project and financing plan for the redevelopment of the South Live Oak Business Park.
5. Continue to promote incentives and explore additional ways to encourage upgrades to properties in Old Town.

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**STATUS/UPDATES**

- Ongoing coordination with Public Works regarding downtown parking, alleyway improvements, construction schedule, and communication methods.
- Wayfinding is being explored by the city under the comprehensive plan update.
- Staff continues to work with consultants on the vision/planning of the First Baptist Church Site.
- Ongoing meetings with potential development partners regarding South Live Oak.

- Working with consultant on a market analysis proposal and scope for South Live Oak and Old Town redevelopment.
- 9 Business Improvement Grants have been awarded to Tomball businesses/property owners.

#### **GOAL 4: EDUCATION & WORKFORCE DEVELOPMENT**

***Partner with local/regional education institutions, City of Tomball, Greater Tomball Area Chamber of Commerce, and local industries to further develop youth workforce programs and initiatives.***

1. Continue to serve on the P-TECH Steering Committee with Lone Star College-Tomball, TISD, and HCA officials.
    - a. Research grant funding opportunities for the P-TECH program and other youth workforce programs.
  2. Continue to serve on the TISD – CTE Advisory Board to create pathways for CTE students to enter the workforce and gain work-based learning credentials with industry partners.
  3. Work with our Regional Workforce Board and Texas Workforce Commission on available resources for local industries.
  4. Continue to work with local/regional education institutions to support a Grow Tomball – Youth Program.
    - (a) Work with education institutions to host job/career fairs.
    - (b) Maintain and update a job board for High School and College Students on the TEDC Website.
    - (c) Research funding partners for Internship/Apprenticeship Program.
    - (d) Grow the Summer Youth Employment Program.
    - (e) Work with TISD to launch a Teacher Externship Program.
-

## STATUS/UPDATES

- Serve on the P-TECH Steering Committee, Tomball ISD Advisory Board, and Lone Star College-Tomball Designer in Residence 2.0 Regional Design Team.
- Working with Lone Star College-Tomball to host a community Career Fair scheduled for April 16, 2025.
- Staff continues to update the job board on the TEDC website for High school and college aged students.
- Met with the Dean of Academic Affairs with Lone Star College – SYEP Program
- Met with the Director and Internship Manager of lifePATH to see how to make the SYEP Program more inclusive to serve neurodiverse college students.
- Spoke at Tomball ISD Counselors Meeting to broaden exposure on the SYEP Program.
- Spoke at Tomball ISD Star Academy to 10<sup>th</sup> and 11<sup>th</sup> grades on the SYEP Program.
- Updated the SYEP page on the TEDC Website to include 9 business spotlights to broaden industry knowledge.
- Posted TEDC SYEP Internship Job Posting-Received 30 applications
- Launching the 2025 Summer Youth Employment Program.
  - 19 participating businesses
  - 30 Intern Positions available
  - Student application window opens March 3rd