

**NOTICE OF SPECIAL CITY COUNCIL MEETING - WORKSHOP
CITY OF TOMBALL, TEXAS**



**Monday, March 17, 2025
5:00 PM**

Notice is hereby given of a Regular meeting of the Tomball City Council, to be held on Monday, March 17, 2025 at 5:00 PM, City Hall, 401 Market Street, Tomball, Texas 77375, for the purpose of considering the following agenda items. All agenda items are subject to action. The Tomball City Council 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 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: 891 9806 7745 Passcode: 318781. 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. 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.]*
- C. General Discussion
 - 1. Discuss Capital Improvement Program Update.
- D. Proposed Future Agenda Items
 - 1. Workshop Discussion Only - Approve a professional services agreement with Langford Community Management Services for grant administration services related to the Community Development Block Grant – Disaster Recovery Reallocation Program (CDBG-DRRP) grant for an amount not to 7.2% of the total estimated project cost, or \$108,000, therefor, and authorize the City Manager to execute any and all documents related to the services. These expenditures are to

be paid from grant funds received from the Community Development Block Grant – Disaster Recovery Reallocation Program.

2. Workshop Discussion Only - City of Tomball Development Review Process Evaluation.
3. Workshop Discussion Only – Approve contract with Topwater Construction Services, LLC for general contract services through a TIPS-USA contract (Contract No. 211001), for a total contract amount not-to-exceed \$140,000, approve the expenditure of funds therefor, and authorize the City Manager to execute any and all documents related to the purchases. This expenditure is included in the Fiscal Year 2024-2025 Budget.
4. Workshop Discussion Only – Adopt Resolution Number 2025-09, a Resolution Approving the Distribution of a Preliminary Limited Offering Memorandum for its Special Assessment Revenue Bonds, Series 20255 (Winfrey Estates Public Improvement District Number 12).
5. Workshop discussion only - Approve an agreement authorizing the sale of four vehicles to Montgomery Independent School District for use for their Police Department and authorize the City Manager to execute any and all documents.
6. Workshop Discussion Only - Approve, on First Reading, Resolution No. 2025-10-TEDC, a Resolution of the City Council of the City of Tomball, Texas, authorizing and approving the Tomball Economic Development Corporation’s Project to Expend Funds in accordance with an Economic Development Performance Agreement by and between the Corporation and 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 an amount not to exceed \$91,835.00.
7. Workshop Discussion Only - Approve, on First Reading, Resolution No. 2025-11-TEDC, a Resolution of the City Council of the City of Tomball, Texas, authorizing and approving the Tomball Economic Development Corporation’s Project to Expend Funds in accordance with an Economic Development Performance Agreement by and between the Corporation and 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 an amount not to exceed \$83,615.00.

8. Workshop Discussion Only- Approve, on First Reading, Resolution No. 2025-12-TEDC, a Resolution of the City Council of the City of Tomball, Texas, authorizing and approving the Tomball Economic Development Corporation's Project to Expend Funds in accordance with an Economic Development Performance Agreement by and between the Corporation and Innersculpt Studio, LLC, 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 an amount not to exceed \$10,000.00.
9. Workshop Discussion Only - Approve, on First Reading, Resolution No. 2025-13-TEDC, a Resolution of the City Council of the City of Tomball, Texas, authorizing and approving the Tomball Economic Development Corporation's Project to Expend Funds in accordance with an Economic Development Agreement by and between the Corporation and 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, as authorized under Sections 505.152 and 505.154 of the Texas Local Government Code. The estimated amount of expenditures for such Project is \$1,500,000.00.
10. Workshop Discussion Only - Approve, on First Reading, Resolution No. 2025-14-TEDC, a Resolution of the City Council of the City of Tomball, Texas, authorizing and approving the Tomball Economic Development Corporation's Project to Expend Funds in accordance with an Economic Development Agreement by and between the Corporation and 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, as authorized under Sections 505.152 and 505.154 of the Texas Local Government Code. The estimated amount of expenditures for such Project is \$1,000,000.00.
11. Workshop Discussion Only - Approve, on First Reading, Resolution No. 2025-15-TEDC, a Resolution of the City Council of the City of Tomball, Texas, authorizing and approving the Tomball Economic Development Corporation's Project to Expend Funds in accordance with an Economic Development Agreement by and between the Corporation and 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, as authorized under Sections 505.152 and 505.154 of the Texas Local Government Code. The estimated amount of expenditures for such Project is \$20,000,000.00.
12. Workshop Discussion Only - Consideration and possible action to approve, as a Project of the Tomball Economic Development 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 and amount not to exceed \$85,902.00.

13. Workshop Discussion Only - Consideration and possible action to approve, as a Project of the Tomball Economic Development Corporation, an agreement with Houston Poly Bag I, Ltd, to make direct incentives to, or expenditures for, equipment expansion for the creation or 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 and amount not to exceed \$48,601.00.

14. Workshop Discussion Only - Update regarding Old Town Tomball Billboard Signs.

E. Future Workshop Items

1. Discuss Council Ethics and Rules & Procedures

F. 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 14th day of March 2025 by 3:00 PM, and remained posted for at least 72 continuous hours preceding the scheduled time of said meeting.

Shannon Bennett, TRMC

Assistant City Secretary

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.

City Council Meeting Agenda Item Data Sheet

Meeting Date: March 17, 2025

Topic:

Discuss Capital Improvement Program Update

Background:

As part of the FY 2024-2025 budget process, the City Council adopted a 5-year Capital Improvement Program (CIP). The CIP is the long-term planning document for major infrastructure and facility projects being undertaken by the City of Tomball. The first year of the CIP is incorporated as the planned capital expenditures in the FY 2024-2025 budget. Funding for the CIP comes from a variety of sources. General Fund and Enterprise Fund transfers, planned debt, utility rate revenue, TEDC contributions, and grants are used to fund major projects.

Four major projects identified in the CIP, the Baker Drive Water Plant, East Water Plant, FM 2920 Lift Station Consolidation, and the South Wastewater Expansion Project, were identified as the priority projects and are being funded primarily through the City’s scheduled debt program. These projects have a combined estimated cost of approximately \$120 million, with planned debt issuances for the next 3 years.

Over the past two years, the City Council has taken proactive steps to limit the potential impact on tax payers. These actions have included isolating debt for only the high priority projects, requesting additional assistance from TEDC, and adopting a multi-year rate plan to increase Enterprise Fund contributions for projects.

Origination: City Manager’s Office

Recommendation:

N/A

Party(ies) responsible for placing this item on agenda: Jessica Rogers, Assistant City Manager

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: Jessica Rogers 3/11/2025 **Approved by:** _____
Staff Member Date City Manager Date

Capital Projects & Debt Update

March 17, 2025



Capital Improvement Program Update



Capital Improvement Program Summary

- The CIP is the City's long-term plan for major infrastructure projects.
- 5-Year CIP updated and adopted every year.
 - Current CIP is for FY 2025 to FY 2029.
 - FY 2025 Capital Projects Budget reflects programmed expenditures for 1 year of the CIP.
- Funding comes from a variety of sources.
- Rolling debt program and need to issue new debt each year over the next few years.



Capital Improvement Program Summary

- FY 2025:
 - 28 active CIP projects
 - Expected spend of \$89 million

	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Police	\$243,447	\$0	\$0	\$0	\$0
Parks	\$1,047,173	\$0	\$0	\$0	\$0
Streets	\$7,214,293	\$16,551,225	\$16,945,625	\$3,862,489	\$0
Water	\$27,723,442	\$10,428,638	\$255,000	\$255,000	\$0
Wastewater	\$47,393,377	\$22,263,624	\$13,499,000	\$0	\$0
Combined Utility	\$1,810,000	\$0	\$0	\$0	\$0
Gas	\$448,841	\$0	\$0	\$0	\$0
Facilities	\$3,500,000	\$14,500,000	\$70,000,000	\$0	\$0
TOTAL	\$89,371,573	\$63,743,487	\$100,699,625	\$4,117,489	\$0



Baker Drive Water Plant

Project Description

Construction of a new water well at the site of the previous Baker Drive well to add system capacity. Project includes demo of existing facilities, drilling of new well, and construction of new ground storage tank.

Budget	Contracts Issued	Status	Est. Completion Date
\$10,679,700	Design: \$1,849,087 Construction: \$8,848,597 Total: \$10,697,684	Under Construction	Summer 2026

Project Update

Design Engineer: Freese & Nichols, Inc.

Construction: IECONI

Construction Management: COT; Freese & Nichols, Inc.

City Council awarded the construction contract to IECONI on November 18, 2024. Preliminary site activities started on February 24, 2025.

Demo of existing elevated storage tank began on March 3.



East Water Plant

Project Description

Construction of a new water well on Lizzie Lane as recommended in the Water Master Plan to add system capacity.

Budget	Contracts Issued	Status	Est. Completion Date
\$19,546,000	Design: \$2,616,124 Construction: PENDING Total: \$2,616,124	Procurement Pending	Fall 2026

Project Update

Design Engineer: Freese & Nichols, Inc.

Construction: TBD

Construction Management: COT; Freese & Nichols, Inc.

The Request for Proposal for the project began advertisement on March 5, 2025, with responses due to the City on March 20, 2025.

Contract for construction will be presented to City Council for approval on April 21, 2025.



FM 2920 Lift Station Consolidation

Project Description

Construction of a new water well on Lizzie Lane as recommended in the Water Master Plan to add system capacity.

Budget	Contracts Issued	Status	Est. Completion Date
\$15,474,100	Design: \$2,236,767 Acquisition: \$133,723 Construction Phase 1: \$5,284,287 Construction Phase 2: PENDING Total: \$7,654,777	Under Construction	Spring 2026

Project Update

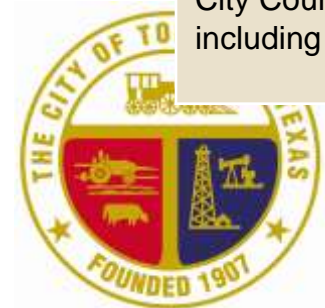
Design Engineer: Freese & Nichols, Inc.

Construction Phase 1: Pate Garver

Construction Phase 2: TBD

Construction Management: COT; Freese & Nichols, Inc.

City Council awarded the Phase 1 construction contract to Pate Garver on January 20, 2025. Preliminary site activities started on February 24, 2025, including surveying and clearing as we finalize the remaining easement acquisitions.



South Wastewater Treatment Plant

Project Description

Construction of a new water well on Lizzie Lane as recommended in the Water Master Plan to add system capacity.

Budget	Contracts Issued	Status	Est. Completion Date
\$70,432,404	Design: \$6,034,784 Construction GMP 1: \$9,304,330 Construction GMP 2: PENDING Total: \$15,339,114	Final Design & Under Construction	Winter 2027

Project Update

Design Engineer: Freese & Nichols, Inc.

Construction, GMP 1: Webber Waterworks, LLC

Construction, GMP 2: TBD

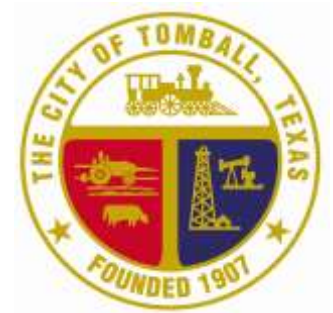
Construction Management: COT; Freese & Nichols, Inc.

City Council awarded a contract for Guaranteed Maximum Price (GMP-1) to Webber Waterworks, LLC for the procurement of required equipment on February 3, 2025.

The consultant and staff have completed GMP-2. The Request for Proposals will be released for bidding on March 13, with responses due on April 17, 2025. Following review, GMP-2 contract is pending Council approval on June 25, 2025.



Debt Service & Issuance Update



Debt Service Update

- \$30 million new issuance planned for FY 2025.
 - Addresses critical infrastructure needs per the adopted multi-year CIP and debt plan.
 - Additional debt issuances are still needed to complete major projects.
- High priority projects are the focus.
- Additional TEDC contribution beginning in FY 2025 for SWWTP.



High Priority Projects & Debt

CO Issuance Schedule

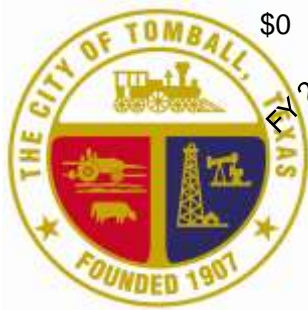
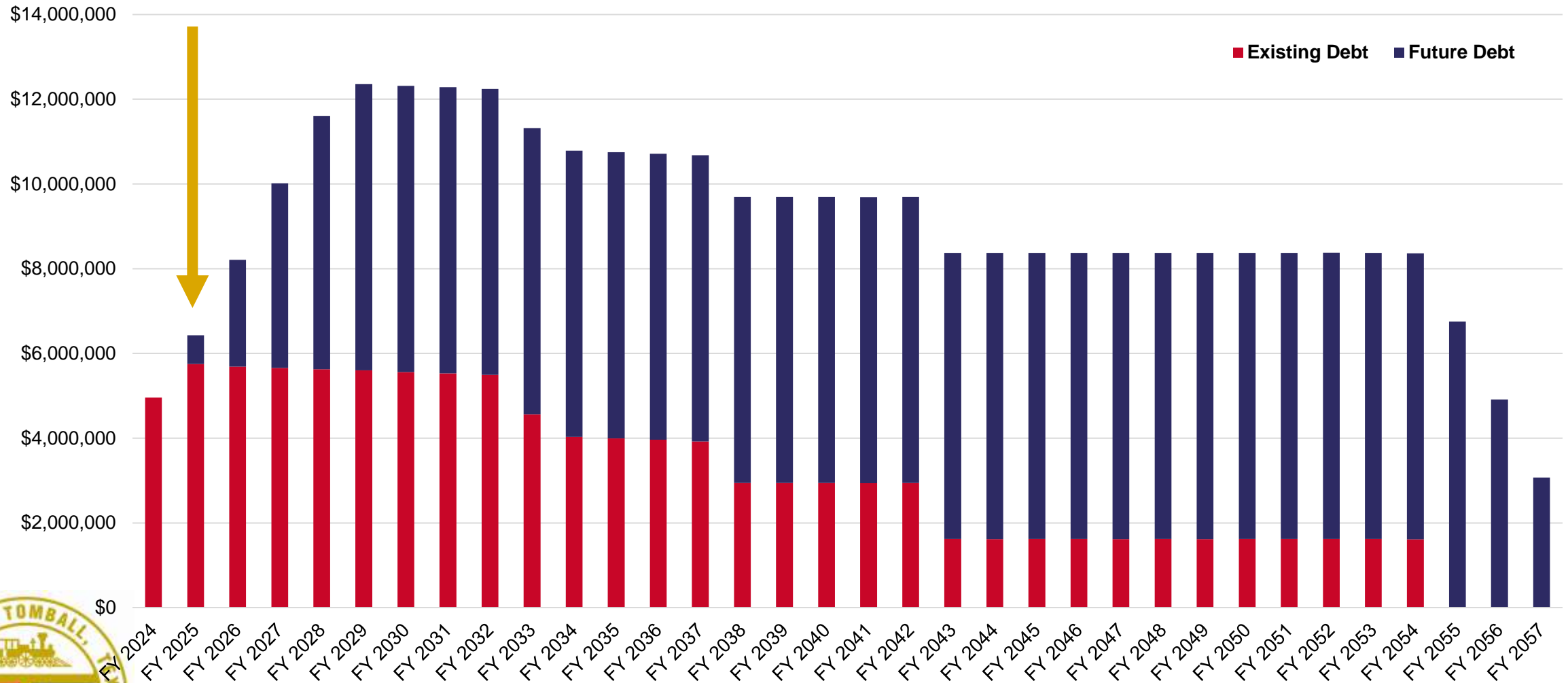
		FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Projects	Total Cost	2022 COs	2023 COs	2025 COs	2026 COs	2027 COs
Streets						
North Sycamore St. Parking	\$614,525		\$614,525			
North Elm St. Parking	\$885,475		\$885,475			
Water						
Pine Street EST Rehabilitation	\$293,276	\$293,276				
Well No. 2 Rehab	\$550,000	\$550,000				
East Water Plant	\$19,046,000	\$3,106,000		\$9,861,000	\$6,574,000	
Baker Drive Water Plant	\$10,179,000	\$5,541,276	\$4,637,724			
Telge Easement Acquisition	\$1,500,000	\$1,500,000				
Wastewater						
FM 2920 Lift Station Consolidation*	\$15,394,100	\$9,009,100	\$4,885,000			
South WWTP Expansion*	\$70,434,457		\$16,567,276	\$20,139,000	\$21,198,081	\$11,965,100
Planned CO Issuance		\$20,005,376	\$27,590,000	\$30,000,000	\$30,000,000	\$30,000,000
Assigned to Projects		\$19,999,652	\$27,590,000	\$30,000,000	\$27,772,081	\$11,965,100



*Additional funding from another source



Total Debt Service Projections



Tax Rate Impact Projection

	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Projected Debt Issuance	\$30,000,000	\$30,000,000	\$30,000,000	\$20,000,000	\$0
Projected Debt Service Payments	\$6,779,535	\$8,206,090	\$10,016,836	\$11,602,732	\$12,354,338
Projected Tax Rate					
Projected Total Tax Rate	0.336365	0.328420	0.341168	0.358123	0.353042

- **Current Assumptions:**
 - Planned issuances of level debt service, 30-year debt at 4.5% interest.
 - 6% annual growth in taxable values.
 - No significant statutory changes to tax rate calculation.
 - Additional TEDC contribution of \$1M starting in FY 2025.
 - Additional Enterprise Fund contribution starting in FY 2026.



Projections Only

2025 CO Issuance

- \$30M certificates of obligation issuance (3rd of 5 planned issuances for priority projects).
 - Funding allocated for water/wastewater projects.
- Notice of Intent scheduled for April 21, 2025.
- Delivery of proceeds in July 2025.



Questions?



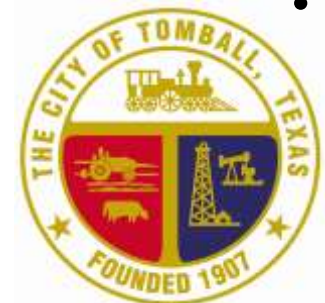
Background

2022

- The City initiated a long-term program to invest in critical infrastructure projects, first major debt issuance for identified infrastructure projects.
 - \$20M certificates of obligation issued
- Initiated updates to the Water and Wastewater Master Plans.

2023

- Adopted updated Water and Wastewater Master Plans and impact fees.
- Initiated Parks Master Plan, Drainage Master Plan, and Gas Master Plan.
- Initiated utility rate study.
- Purchased property for facility needs.
- Adopted the comprehensive Capital Improvement Program (CIP), outlining the next 5 years for capital investment.
- Issued second debt issuances for major water/wastewater projects.
 - \$30M certificates of obligation issued



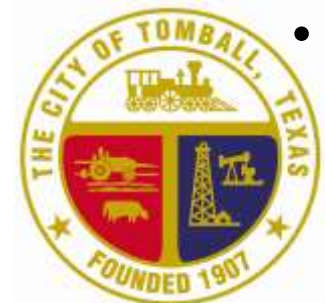
Background

2024

- Adopted Parks & Trails Master Plan.
- Completed Phase 1 of Gas Master Plan, initiated Phase 2.
- Awarded CPF Grants for major drainage/road projects.
- Adopted updated CIP for FY 2025 to FY 2029.
- Adopted multi-year utility rate study and plan.
- New agreement with TEDC for additional debt service contribution.

2025

- Will complete Drainage Master Plan.
- Purchase of additional property for facility needs.
- Invited to apply for GLO-DRRP grant.
- Planned additional \$30M issuance.



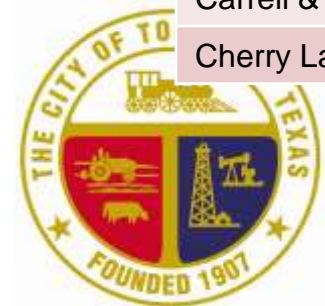
Active Projects: Parks & Facilities

Project	Budget	Contracts Issued	Status	Est. Completion Date
Matheson Park Improvements, Phase 1	\$2,370,000	\$2,370,000	Complete	April 2025
Matheson Park Improvements, Phase 2	\$878,819	\$878,819	Under Construction	May 2025
Juergens Park – Louie’s Together Playground	\$856,289	\$843,904	Complete	October 2024
Malone Evidence Lot	\$357,279	\$348,279	Under Construction	March 2025
New City Facilities*	\$6,500,000	\$6,009,105	Property Acquisition	TBD



Active Projects: Streets & Drainage

Project	Budget	Contracts Issued	Status	Est. Completion Date
FM 2920 Reconstruction	\$8,659,700	\$147,211	Design	Winter 2029
Alley Improvement Project, Phase 1	\$1,890,300	\$1,890,300	Project Close Out	February 2025
Alley Amenities (TEDC)	TEDC Funded	TEDC Funded	Contract Pending	August 2025
Baker Street Sidewalks	\$324,860	\$233,245	Construction Pending	July 2025
N. Sycamore Parking Lot	\$614,525	\$520,396	Construction Pending	July 2025
North Star Drainage Improvements	\$360,000	\$198,820	Under Construction	May 2025
Anna St. Drainage Improvements	\$131,800	\$131,800	Construction Pending	September 2025
Southmore Drainage Improvements	\$105,000	\$97,626	Complete	September 2024
N. Elm St. Parking	\$885,475	\$3,000	Engineer Procurement Pending	TBD
S. Persimmon & Timkin Street Improvements*	\$2,000,000	None	Grant Administrator Procurement	TBD
N. Cherry St. Storm Sewer Improvements	\$3,247,300	None	Grant Administrator Procurement	TBD
Carrell & Lovett Storm Sewer Improvements	\$2,857,000	None	Grant Administrator Procurement	TBD
Cherry Laurel Storm Sewer Improvements	\$47,775	None	Creation	TBD



Active Projects: Utilities

Project	Budget	Contracts Issued	Status	Est. Completion Date
Grand Parkway EST	\$5,680,550	\$5,680,550	Under Construction	April 2025
W. Hufsmith 16" Water Line	\$2,556,382	\$351,348	Design	December 2025
Well No. 5 Rehab	\$457,000	\$387,160	Complete	February 2025
Well No. 2 Rehab	\$550,000	\$440,560	Project Close Out	March 2025
SH 249 16" Water Line	\$4,626,993	\$448,420	Design	September 2026
Oak & Clayton Water Line – Phase I	\$1,160,000	\$140,000	Design	January 2026
Rudolph Road Sewer Extension	\$200,000	\$195,843	Under Construction	May 2025
SCADA	\$431,700	\$435,689	Implementation Pending	December 2025
Telge Easement	\$1,500,000	None	Pending with Harris County	TBD
Cherry St. Gas Main	\$458,200	\$455,498	Under Construction	May 2025



City Council Meeting

Agenda Item

Data Sheet

Meeting Date: March 17, 2025

Topic:

Workshop Discussion Only - Approve a professional services agreement with Langford Community Management Services for grant administration services related to the Community Development Block Grant – Disaster Recovery Reallocation Program (CDBG-DRRP) grant for an amount not to 7.2% of the total estimated project cost, or \$108,000, therefor, and authorize the City Manager to execute any and all documents related to the services. These expenditures are to be paid from grant funds received from the Community Development Block Grant – Disaster Recovery Reallocation Program.

Background:

In October 2024, the General Land Office (GLO) released a call for projects to be submitted for consideration, scoring, and potential funding for the Disaster Recovery Reallocation Program (DRRP) by November 21, 2024. Staff utilized the draft Drainage Master Plan to identify a project that would be eligible for funding. The identified project was the “M118-01-01 Channel Improvements – Phase I” which includes widening and deepening the existing City drainage channel located south of Lizzie Lane and providing outfall connection to S. Persimmon Street.

On January 17, 2025, staff received an Invitation to Apply from the GLO to submit a formal application for the DRRP for a total identified grant amount not-to-exceed \$1,350,000 plus local match of \$150,000 for a project total of \$1,500,000. In accordance with the terms and conditions of the DRRP grant and 2 CFR 200 regulations, staff advertised a Request for Proposal for grant administration services for grant application assistance and management throughout the grant term, if awarded.

Staff received three (3) sealed proposals from qualified firms. Scoring was completed by a committee to determine the most qualified firm to complete the work and based on the review staff entered into contract negotiations with Langford Community Management Services.

Staff is recommending awarding a professional services agreement with Langford for application assistance and management throughout the grant term, if awarded, for the CDBG – DRRP grant. The agreement will include full-grant administration services including application assistance, environmental, procurement assistance, and administering and managing the grant funds, if awarded, to the City.

The total contract will not exceed 7.2%, or \$108,000, based on the estimated project cost included in the Invitation to Apply. All fees for grant administration will be paid from grant funds. A breakdown of the grant administration cost is reflected in the table below.

Identified Project	Potential Grant Amount	Local Match	Grant Administration Cost
M118-01-01 Channel Improvement – Phase I	\$1,350,000	\$150,000	\$108,000
Total Estimated Project Cost: \$1,500,000			
Total Grant Administration Cost: \$108,000 (7.2% of total project cost)			

Origination: Project Management

Recommendation:

Staff recommends approving a professional services agreement with Langford Community Management Services for grant administration services related to the Community Development Block Grant – Disaster Recovery Reallocation Program grant for an amount not to 7.2% of the total estimated project cost, or \$108,000.

Party(ies) responsible for placing this item on agenda: Meagan Mageo

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: #400-154-6409

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

Signed: Meagan Mageo **Approved by:** _____
Staff Member Date City Manager Date

**GRANT ADMINISTRATION SERVICES FOR MITIGATION SERVICES
UNDER THE U.S. DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT COMMUNITY DEVELOPMENT BLOCK GRANT
PROGRAM**

THE City of Tomball (the “Subrecipient”) and Langford Community Management Services, Tax Identification Number 74-2804904 (“Provider”), each a “Party” and collectively, “the Parties,” enter into the following contract for grant administration services (the “Contract”) pursuant to Local Govt. Code 252 and 2 C.F.R. Part 200.

WHEREAS, the Subrecipient has applied for U.S. Department of Housing and Urban Development Community Development Block Grant – Disaster Recovery Reallocation Program (“CDBG-DRRP”) funds, administered by the Texas General Land Office (“GLO”) for mitigation assistance; and

WHEREAS, the CDBG-DRRP program is funded under the Housing and Urban Development, Further Additional Supplemental Appropriations for Disaster Relief Requirements Act, 2018, Division B, Subdivision 1 of the Bipartisan Budget Act of 2018, Pub. L. No. 115-123.

NOW, THEREFORE, the Parties agree to the following terms and conditions:

I. DEFINITIONS / INTERPRETIVE PROVISIONS / PROJECT DESCRIPTION

1.01 DEFINITIONS

“[Activity](#)” means a defined class of works or services authorized to be accomplished using CDBG-DRRP grant funds. Activities are specified in Subrecipient Budgets as ‘Category,’ and the terms are interchangeable under this Contract.

“[Administrative and Audit Regulations](#)” means the regulations included in Title 2, CFR, Part 200. Chapter 321 of the Texas Government Code; Subchapter F of Chapter 2155 of the Texas Government Code; and the requirements of Article VII herein. With regard to any federal funding, agencies with the necessary legal authority include: the relevant federal agency, the Comptroller General, the General Accounting Office, the Office of Inspector General, and any of their authorized representatives. In addition, state agencies and/or designee’s with the authority to audit and inspect include, the Subrecipient, the GLO, the GLO’s contracted examiners, the State Auditor’s Office, the Texas Attorney General’s Office and the Texas Comptroller of Public Accounts.

“[Attachment](#)” means documents, terms, conditions, or additional information physically added to this Contract following the execution page, or incorporated by reference, as if physically.

“[Amendment](#)” means a written agreement, signed by the parties hereto, which documents alterations to the Contract.

“Benchmark” or “Billing Milestone” means a clearly defined set of incremental services that must be performed; or an interim level of accomplishment that must be met by Provider in order to receive periodic incremental and final reimbursement for services under this Contract.

“CDBG—DRRP” means the Community Development Block Grant—Disaster Recovery Reallocation Program Program administered by the U.S. Department of Housing and Urban Development, in cooperation with the GLO.

“Certificate of Construction Completion” means a document submitted by an engineer or, if none, a construction contractor, to a Grantee which, when executed by the Grantee, indicates acceptance of the non-housing project, as built.

“Contract” means this entire document, along with any Attachments, both physical and incorporated by reference; and any Amendments.

“Contract Period” means the period of time between the effective date of a contract and its expiration or termination date.

“Deliverable” means a unit or increment of work to include, any item, report, data, document, photograph, or other submission required to be delivered under the terms of this Contract, in whatever form =.

“Federal Assurances” means Standard Form 424B (Rev. 7-97) (non-construction projects); or Standard Form 424D (Rev. 7-97) (construction projects), in **Attachment A**, attached hereto and incorporated herein for all purposes.

“Federal Certifications” means U.S. Department of Commerce Form CD-512 (12-04), “Certifications Regarding Lobbying – Lower Tier Covered Transactions,” also in **Attachment A**, attached hereto and incorporated herein for all purposes.

“Fiscal Year” means the period beginning September 1 and ending August 31 each year, which is the annual accounting period for the State of Texas.

“GAAP” means “Generally Accepted Accounting Principles.”

“GASB” means the Governmental Accounting Standards Board.

“General Affirmations” means the statements in **Attachment B**, attached hereto and incorporated herein for all purposes, which Provider affirms by executing this Contract.

“GLO” means the Texas General Land Office, its officers, employees, and designees.

“GLO-Vendor Contract” means the contract or contracts between the GLO and Provider procured through the Solicitation; such GLO-Vendor Contract is hereby incorporated herein by reference, for all purposes.

“Grant Administration Fee” means the amount to be paid to Provider for all services performed for a Subrecipient.

“HSP” means HUB Subcontracting Plan, as outlined by Chapter 2161 of the Texas Government Code.

“HUB” means Historically Underutilized Business, as defined by Chapter 2161 of the Texas Government Code.

“HUD” means the United States Department of Housing and Urban Development.

“Mentor Protégé” means the Comptroller of Public Accounts’ leadership program found at: <http://www.window.state.tx.us/procurement/prog/hub/mentorprotege/>

“Non-housing” refers to a project involving the restoration and/or repair of infrastructure facilities and the economic revitalization activities approved under a CDBG-MIT program grant.

“Project” means the grant administration services described in **SECTION 1.03** of this Contract and in any applicable Attachments.

“Project Completion Report” means a report containing an “as built” accounting of all projects completed under a CDBG-DRRP non-housing or housing grant, and containing all information required to completely close out a grant file.

“Project Implementation Manual” means a set of guidelines for the CDBG-DRRP Program, incorporated herein by reference for all purposes in its entirety.

“Project Period” means the stated time for completion of a Project assigned by Work Order, if any.

“Prompt Pay Act” means Chapter 2251, Subtitle F of Title 10 of the Texas Government Code.

“Provider” means Langford Community Management Services selected to provide the services under this Contract, if any.

“Public Information Act” means Chapter 552 of the Texas Government Code.

“Monthly Report” means a document submitted by Provider to a Subrecipient for approval and submission to the GLO as a condition of reimbursement, as discussed in **SECTION 1.05** and **ARTICLE III**, below.

“Scope of Work” means Provider’s detailed scope of work hereby incorporated for all purposes as **Attachment C**.

“Setup” means documentation, submitted by a Subrecipient, necessary for the GLO to determine that housing sites meet minimum eligibility criteria, resulting in approval for the Subrecipient to move forward with the projects.

“Solicitation” means Subrecipient’s Request for Proposals, including any Addenda.

“Solicitation Response” means Provider’s full and complete response to the Solicitation, including any Addenda.

“Subcontractor” means an individual or business that signs a contract to perform part or all of the obligations of Provider under this Contract.

“Subrecipient Agreement” means the contractual agreement for a CDBG-DRRP housing or non-housing grant between the GLO and the Subrecipient for which Provider performs services assigned by the Subrecipient, if any.

“Technical Guidance Letter or ‘TGL’” means an instruction, clarification, or interpretation of the requirements of the CDBG-DRRP Program, issued by the GLO to specified recipients, applicable to specific subject matter, to which the addressed Program participants shall be subject.

1.02 INTERPRETIVE PROVISIONS

- (a) The meanings of defined terms are equally applicable to the singular and plural forms of the defined terms;
- (b) The words “hereof,” “herein,” “hereunder,” and similar words refer to this Contract as a whole and not to any particular provision, section, attachment, work order, or schedule of this Contract unless otherwise specified;
- (c) The term “including” is not limiting and means “including without limitation” and, unless otherwise expressly provided in this Contract, (i) references to contracts (including this Contract) and other contractual instruments shall be deemed to include all subsequent amendments and other modifications thereto, but only to the extent that such amendments and other modifications are not prohibited by the terms of this Contract, and (ii) references to any statute or regulation are to be construed as including all statutory and regulatory provisions consolidating, amending, replacing, supplementing, or interpreting the statute or regulation;
- (d) The captions and headings of this Contract are for convenience of reference only and shall not affect the interpretation of this Contract;
- (e) All attachments within this Contract, including those incorporated by reference, and any amendments are considered part of the terms of this Contract;

- (f) This Contract may use several different limitations, regulations, or policies to regulate the same or similar matters. All such limitations, regulations, and policies are cumulative and each shall be performed in accordance with its terms;
- (g) Unless otherwise expressly provided, reference to any action of the Subrecipient or by the Subrecipient by way of consent, approval, or waiver shall be deemed modified by the phrase “in its/their sole discretion.” Notwithstanding the preceding sentence, any approval, consent, or waiver required by, or requested of, the Subrecipient shall not be unreasonably withheld or delayed;
- (h) Time is of the essence in this Contract.
- (i) In the event of conflicts or inconsistencies between this contract and its attachments, such conflicts or inconsistencies shall be resolved by reference to the documents in the following order of priority: Signed Contract; Attachments to the Contract: Attachment A, Attachment B, Attachment C, Attachment D, Attachment E, Attachment F, and Attachment G; Solicitation Documents; and Provider’s Response to Solicitation.

1.03 PROJECT

Provider shall perform, or cause to be performed at the direction of the Subrecipient, in assistance to Subrecipient, comprehensive administration services necessary to facilitate activities or the mitigation program in areas affected under the CDBG—DRRP Program. Provider will assist the Subrecipient in fulfilling State and Federal CDBG-DRRP statutory responsibilities related to recovery from the 2015, 2016 & Hurricane Harvey (2017) flooding by performing grant administration services for non-housing projects. Grant administrative services must be performed in compliance with (i) HUD requirements, (ii) the Non-Exclusive List of Laws, Rules, and Regulations in **Attachment D**; (iii) this Contract and all Attachments, including Provider’s Scope of Work **Attachment C**; (iv) any Amendments to this Contract; (v) any Technical Guidance Letter, program requirements, or program guidance that may be issued by the GLO; and (vi) Provider’s full and complete response to the RFP (“the Project”).

Provider shall be responsible at all times for maintaining close oversight of approved projects and record-keeping including, but not limited to, obtaining and maintaining, through Provider’s own efforts, the Subrecipient’s current Performance Statement / Implementation Schedule, and Budget, including Revisions approved and Technical Guidance Letters issued by the GLO; and any other information that may be required for the satisfactory performance by Provider of the services herein described or assigned under a Work Order, as discussed below.

Grant writing and application development to include preparation of notices for paper, attendance/presentation for required public hearing, preparation of resolution authorizing submission, Regional Review Committee Scoring Criteria responses, completion of applications forms except for Table 2 and maps (to be provided by engineer) and general assistance in the development of the proposed project for the application.

1.04 REPORTING REQUIREMENTS

Provider shall assist the Subrecipient to timely submit all reports and documentation that are required under this Contract and any Subrecipient Agreement.

MONTHLY REPORTS – APPLICABLE TO NON-HOUSING:

MONTHLY REPORTS ARE REQUIRED AS A CONDITION OF REIMBURSEMENT TO ALL SUBRECIPIENTS. It is incumbent upon Provider to facilitate the submission of each Monthly Report in a timely manner. Each Monthly Report shall include progress made since the prior reporting period, current Benchmarks achieved, projected quantities, problems encountered and detailed plans to correct them, goals to be accomplished in the subsequent reporting period, and any other information as may be required by the GLO.

The GLO may review the Monthly Report(s) and may request revisions to be made. Provider shall make itself aware of such revision requests and shall assist the Subrecipient in making appropriate revisions. Upon acceptance of the Monthly Report and submission of a properly prepared invoice, appropriate payment may be made to Subrecipient and to Provider.

In the sole discretion of the GLO, reports may be requested more often than monthly, and Provider shall facilitate the timely submission to the GLO of such additional information by the Grant Recipient.

Reimbursement may be withheld if a Monthly Report is delinquent or deficient, in the sole discretion of the GLO.

PROJECT COMPLETION REPORTS:

NON-HOUSING SERVICES: Provider shall prepare and submit to the Subrecipient a draft Project Completion Report (PCR) by the close of business no later than thirty (30) days from Provider's receipt of the fully executed final Certificate of Construction Completion ("COCC"). Provider shall then cooperate with the Subrecipient to submit the final, signed, PCR to the GLO by the close of business no later than sixty (60) days from Provider's receipt of the fully executed final COCC. The PCR must be submitted in accordance with the specifications in the Project Implementation Manual, and must include a full description of all Subrecipient projects, both as originally assigned and as ultimately completed, accounting for all Amendments, Revisions, and Technical Guidance Letters, if any.

II. TERM

2.01 DURATION

This Contract shall be effective as of March 3, 2025, the date of hiring by the city of Tomabl and shall terminate after closing of project with GLO. Any extension will be subject to terms and conditions mutually agreeable to both parties

2.02 EARLY TERMINATION

The Subrecipient may terminate this Contract by giving written notice specifying a termination date at least thirty (30) days subsequent to the date of the notice. Upon receipt of any such notice, Provider shall cease work, undertake to terminate any relevant subcontracts, and incur no further expense related to this Contract. Such early termination shall be subject to the equitable settlement of the respective interests of the parties, accrued up to the date of termination.

2.03 ABANDONMENT OR DEFAULT

If the Provider defaults on the Contract, the Subrecipient reserves the right to cancel the Contract without notice and either re-solicit or re-award the Contract to the next best responsive and responsible vendor qualified under the Solicitation. The defaulting provider will not be considered in the re-solicitation and may not be considered in future solicitations for the same type of work, unless the specification or scope of work significantly changed. The period of suspension will be determined by the Subrecipient based on the seriousness of the default.

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III. CONSIDERATION

3.01 CONTRACT LIMIT, FEES, AND EXPENSES

The application will be completed at \$0.00 amount.

The Grant Administration Fee shall not exceed the caps below prescribed by the Subrecipient Agreement, the GLO, HUD or any governing law, for the term of this Contract. The Subrecipient agrees to pay Provider in accordance with The Prompt Pay Act Tex. Govt. Code Ch. 2251.

Total CDBG-MIT Award (Non-Housing Activities)	Percentage Cap
\$249,999.99 or less	13%
\$250,000-\$749,999.99	11%
\$750,000-\$999,999.99	10%
\$1 million-\$24,999,999.99	8%
\$25 million or over	6%

Contract will be amended to be inclusive of dollar amount with funding of project.

The form of invoice will be prescribed by the Subrecipient and made available to Provider in a separate submission from the Subrecipient.

Grant funds must not be commingled between or among HUD funding rounds; nor between or among Non-Housing and Housing assignments.

Reimbursement for services may be requested based on the Benchmarks, according to the type of services authorized, contingent upon Provider’s facilitation of the timely submission of each Monthly Report required, as discussed in **SECTION 1.04**, above.

At a minimum, invoices must clearly reflect:

- (a) Provider’s Contract Number;
- (b) Service Period
- (c) the name and GLO Contract Number (12 digits) of the Subrecipient Agreement to which services have been provided;
- (d) the current amount being billed;
- (e) the cumulative amount billed previously;
- (f) the balance remaining to be billed; and
- (g) an itemized statement of services performed, including documentation as required under the Contract, such as invoices, receipts, statements, stubs, tickets, time sheets, and any other which, in the judgment of the Subrecipient, provides full substantiation of reimbursable costs incurred.

Subject to the maximum Contract amount authorized herein, upon specific, prior, written approval by the Subrecipient, lodging, travel, and other incidental direct expenses may be reimbursed under this Contract for professional or technical personnel who are (a) away from the cities in which they are permanently assigned; (b) conducting business specifically authorized by the Subrecipient; and (c) performing services not originally contemplated in the Scope of Services.

NOTICE TO PROVIDER:

Failure to include all of the information required in **SECTION 3.01** with each invoice may result in a significant delay in processing payment for the invoice.

BENCHMARKS

Project Phase Actions and Deliverables	Not-To-Exceed Budget Gate Percentages by Budget Category (Subrecipient may draw up to, but not exceed, the identified percentage of the Budget category until stated Deliverable(s) are submitted to and approved by the GLO.)			Single Deliverable Milestones by Budget Category (Subrecipient may draw up to 100% of Budget category after submittal to and approval by the GLO of the <u>stated</u> Deliverable.)		Multiple Deliverable Milestones (Subrecipient may draw up to, but not exceed, the percentage stated after submittal to and approval by the GLO of the stated Deliverable.)	
	Project Delivery			Special Environmental Funds	Acquisition Funds	Construction Funds	Planning/ Studies (not related to engineering design)
	Grant Administration Funds	Environmental Funds	Engineering Funds				
Action: Start-up Phase Deliverable: Contract kick-off meeting sign-in sheet; all required Start-Up Documentation reviewed and accepted by the GLO; executed grant administration service provider contract in PDF format.	0-15%						
Action: Commencement of Engineering Phase Deliverable: Executed engineering service provider contract in PDF format provided during start-up phase as applicable			0-30%				
Action: Commencement of Environmental Phase Deliverable: Executed environmental service provider contract in PDF format provided during start-up phase as applicable.	15.01-30%	0-30%					
Action: Completion of Design Phase Deliverable: Complete signed and sealed 100% construction plans in PDF format.*			30.01-60%				

Action: Completion of Special Environmental Services Deliverable: GLO approval of required documentation, dependent upon additional environmental requirements					100%			
Action: Completion of Environmental Record Review Deliverable: GLO-signed AUGF**	30.01-50%	30.01-100%						
Action: Acquisition Phase Deliverable: Acquisition Detailed Report and supporting documentation per parcel accepted by the GLO*					100%			
Action: Commencement of Bid Phase Deliverable: First published bid notice and publisher's affidavit*	50.01-60%		60.01-70%					
Action: Commencement of Construction Phase Deliverable: Signed NTP*	60.01-85%		70.01-85%				0-95%	
Action: Completion of Construction Phase Deliverable: Signed and sealed complete As-Built Plans in PDF format; executed COCC accepted by the GLO; signed FWCR accepted by the GLO*	85.01-95%		85.01-100%				95.01-100%	
Action: Commencement of Planning/Study Phase Deliverable: Signed NTP or similar document from Subrecipient, initiating the Planning/study Activity and describing the work to be performed ^for Planning/Study only	15.01-60%^							0-85%
Action: Completion of Planning/Study Phase Deliverable: Final Planning/study report and proof of acceptance by Subrecipient ^for Planning/Study only	60.01-95%^							85.01-100%
Action: Grant Completion Report Approval Deliverable: GCR approved by the GLO	95.01-100%							

Failure to provide any Deliverable identified above could result in Subrecipient's repayment in part or in full of funds expended. Providing the Deliverables identified in this table will allow Subrecipient to draw the identified funding percentage per Budget category, contingent upon Subrecipient's compliance with associated Program guidance.

*If Subrecipient executes multiple construction contracts, this Deliverable (or Deliverables, as applicable) will be required for each contract, and associated costs will be pro-rated in accordance with the Budget details in the final GLO-approved Application.

**If the Project includes more than one ERR, associated costs will be pro-rated in accordance with the Budget details in the final GLO-approved Application.

IV. PROVIDER'S WARRANTY, AFFIRMATIONS, AND ASSURANCES

4.01 PERFORMANCE WARRANTY

Provider represents that all services performed under this Contract will be performed in a manner consistent with a degree of care and skill ordinarily exercised by members of the same profession currently practicing under similar circumstances. Provider represents that all work product, including Deliverables if any, under this Contract shall be completed in a manner consistent with standards in the applicable trade, profession, or industry; shall conform to or exceed the specifications set forth in the incorporated Attachments (if any); and shall be fit for ordinary use, of good quality, and with no material defects. If Provider fails to submit Deliverables timely or to perform satisfactorily under conditions required by this Contract, the Subrecipient may require Provider, at its sole expense, to the extent such defect or damage is caused by the negligence of Provider, to (a) repair or replace all defective or damaged Deliverables; (b) refund any payment received for all defective or damaged Deliverables and, in conjunction therewith, require Provider to accept the return of such Deliverables; and/or (c) take necessary action so that future performance and Deliverables conform to the Contract requirements.

4.02 GENERAL AFFIRMATIONS

To the extent that they are applicable, Provider further certifies that the General Affirmations in **Attachment B** have been reviewed, and that Provider is in compliance with each of the requirements reflected therein.

4.03 FEDERAL ASSURANCES

To the extent that they are applicable, Provider further certifies that the Federal Assurances in **Attachment A** have been reviewed and that Provider is in compliance with each of the requirements reflected therein. The Federal Assurance form must be executed by Provider's authorized signatory.

4.04 FEDERAL CERTIFICATIONS

To the extent that they are applicable, Provider further certifies that the Federal Certifications also in **Attachment A** have been reviewed, and that Provider is in compliance with each of the requirements reflected therein. The Federal Certifications form must be executed by Provider's authorized signatory.

In addition, Provider certifies that it is in compliance with any other applicable federal laws, rules, or regulations, as they may pertain to this Contract including, but not limited to, those listed in Attachment D.

V. FEDERAL AND STATE FUNDING, RECAPTURE OF FUNDS, AND OVERPAYMENT

5.01 FEDERAL FUNDING

- (a) Funding for this Contract is appropriated under the Housing and Urban Development, and the Further Additional Supplemental Appropriations for Disaster Relief Requirements Act, 2018 (Division B, Subdivision 1 of the Bipartisan Budget Act of 2018, Pub. L. 115-123) enacted on February 9, 2018. It is to mitigate disaster risk and reduce future losses, and allow grantees the opportunity to transform state & local planning, and to affirmatively further fair housing in accordance with Executive Order 12892, in areas affected by the 2015, 2016 & Hurricane Harvey (2017) Floods, which are Presidentially-declared major disaster areas under Title IV of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.). The Fulfillment of the Contract is based on those funds being made available to the GLO as the lead administrative state agency. All expenditures under this Contract must be made in accordance with this Contract, the rules and regulations promulgated under the CDBG-DRRP Program, and any other applicable laws. Further, Provider acknowledges that all funds are subject to recapture and repayment for non-compliance.
- (b) **All participants in the CDBG-DRRP grant program must have a data universal numbering system (DUNS) number, as well as a Commercial And Government Entity (CAGE) Code.**
- (c) **The DUNS number and CAGE Code must be reported to the GLO for use in various grant reporting documents, and may be obtained by visiting the Central Contractor Registration web site at:**

<https://www.bpn.gov/ccr/>

Assistance with this web site may be obtained by calling **866-606-8220**.

5.02 STATE FUNDING

- (a) This Contract shall not be construed as creating any debt on behalf of the State of Texas and/or the GLO in violation of Article III, Section 49, of the Texas Constitution. In compliance with Article VIII, Section 6 of the Texas Constitution, it is understood that all obligations of the GLO hereunder are subject to the availability of state funds. If such funds are not appropriated or become unavailable, the Subrecipient, in its sole discretion, may terminate this Contract. In that event, the parties shall be discharged from further obligations, subject to the equitable settlement of their respective interests, accrued up to the date of termination.
- (b) Furthermore, any claim by Provider for damages under this Contract may not exceed the amount of funds appropriated for payment, but not yet paid to Provider, under the annual budget in effect at the time of the breach. Nothing in this provision shall be construed as a waiver of sovereign immunity.

5.03 RECAPTURE OF FUNDS

Provider shall conduct, in a satisfactory manner as determined by the Subrecipient, the Project as set forth in the Contract. The discretionary right of the Subrecipient to terminate for convenience under **SECTION 2.02** notwithstanding, it is expressly understood and agreed by Provider that the Subrecipient shall have the right to terminate the Contract and to recapture, and be reimbursed for any payments made by the Subrecipient (i) that exceed the maximum allowable HUD rate; (ii) that are not allowed under applicable laws, rules, and regulations; or (iii) that are otherwise inconsistent with this Contract, including any unapproved expenditures.

5.04 OVERPAYMENT

Provider understands and agrees that it shall be liable to the Subrecipient or the GLO for any costs disallowed pursuant to financial and/or compliance audit(s) of funds received under this Contract. Provider further understands and agrees that reimbursement of such disallowed costs shall be paid by Provider from funds which were not provided or otherwise made available to Provider under this Contract.

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VI. OWNERSHIP

6.01 OWNERSHIP AND THIRD PARTY RELIANCE

- (a) The Subrecipient shall own, and Provider hereby assigns to the GLO, all right, title, and interest in all services to be performed; all goods to be delivered; and/or all other related work product prepared, or in the course of preparation, by Provider (or its subcontractors) pursuant to this Contract, together with all related worldwide intellectual property rights of any kind or character (collectively, the “Work Product”). Under no circumstance will any license fee, royalty, or other consideration not specified in this Contract be due to Provider for the assignment of the Work Product to the GLO or for the GLO’s use and quiet enjoyment of the Work Product in perpetuity. Provider shall promptly submit all Work Product to the GLO upon request or upon completion, termination, or cancellation of this Contract for any reason, including all copies in any form or medium.

- (b) Provider and the Subrecipient shall not use, willingly allow, or cause such Work Product to be used for any purpose other than performance of Provider’s obligations under this Contract without the prior written consent of either party and the GLO. Work Product is for the exclusive use and benefit of, and may be relied upon only by the parties. Prior to distributing any Work Product to any third party, other than the GLO, the parties shall advise such third parties that if it relies upon or uses such Work Product, it does so entirely at its own risk without liability to the GLO, Provider, or the Subrecipient.

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VII. RECORDS, AUDIT, RETENTION, CONFIDENTIALITY, PUBLIC RECORDS

7.01 BOOKS AND RECORDS

Provider shall keep and maintain under GAAP or GASB, as applicable, full, true, and complete records necessary to fully disclose to the Subrecipient, the GLO, the State of Texas Auditor's Office, the United States Government, and/or their authorized representatives sufficient information to determine compliance with the terms and conditions of this Contract and all state and federal rules, regulations, and statutes.

7.02 INSPECTION AND AUDIT

- (a) Provider agrees that all relevant records related to this Contract and any Work Product produced in relation to this Contract, including the records and Work Product of its Subcontractors, shall be subject to the Administrative and Audit Regulations. Accordingly, such records and Work Product shall be subject, at any time, to inspection, examination, audit, and copying at any location where such records and Work Product may be found, with or without notice from the Subrecipient, the GLO, HUD, or other government entity with necessary legal authority. Provider agrees to cooperate fully with any federal or state entity in the conduct of inspection, examination, audit, and copying, including providing all information requested. Provider will ensure that this clause concerning federal and state entities' authority to inspect, examine, audit, and copy records and Work Product, and the requirement to fully cooperate with the federal and state entities, is included in any subcontract it awards.
- (b) Provider understands that acceptance of state funds under this Contract acts as acceptance of the authority of the State Auditor's Office to conduct an audit or investigation in connection with those funds. Provider further agrees to cooperate fully with the State Auditor's Office in the conduct of the audit or investigation, including providing all records requested. Provider will ensure that this clause concerning the State Auditor's Office's authority to audit state funds and the requirement to fully cooperate with the State Auditor's Office is included in any subcontracts it awards. Additionally, the State Auditor's Office shall at any time have access to and the rights to examine, audit, excerpt, and transcribe any pertinent books, documents, working papers, and records of Provider relating to the Contract for any purpose. HUD, the Comptroller General, the General Accounting Office, the Office of Inspector General, or any authorized representative of the U.S. Government shall also have this right of inspection. **PROVIDER SHALL ENSURE THAT ALL SUBCONTRACTS AWARDED REFLECT THE REQUIREMENTS OF THIS SECTION 7.02, AND THE REQUIREMENT TO COOPERATE.**
- (c) Provider will be deemed to have read and have knowledge of all applicable federal, state, and local laws, regulations, and rules including, but not limited to those identified in **Attachment D**, governing audit requirements pertaining to the Project.

7.03 PERIOD OF RETENTION

All records relevant to this Contract shall be retained for a period subsequent to the final closeout of the State of Texas CDBG-DRRP grant program, in accordance with federal regulations. **The Subrecipient will notify all Program participants of the date upon which local records may be destroyed.**

7.04 CONFIDENTIALITY

To the extent permitted by law, Provider and the Subrecipient agree to keep all information confidential, in whatever form produced, prepared, observed, or received by Provider or the Subrecipient to the extent that such information is: (a) confidential by law; (b) marked or designated “confidential” (or words to that effect) by Provider or the Subrecipient; or (c) information that Provider or the Subrecipient is otherwise required to keep confidential by this Contract. Furthermore, Provider will not advertise that it is doing business with the Subrecipient, use this Contract as a marketing or sales tool, or make any press releases concerning work under this Contract without the prior written consent of the Subrecipient.

7.05 PUBLIC RECORDS

Information related to the performance of this Contract may be subject to the Public Information Act (“PIA”) and will be withheld from public disclosure or released only in accordance therewith. Provider shall make any information required under the PIA available to the Subrecipient in portable document file (“.pdf”) format or any other format agreed between the Parties. Failure of Provider to mark as “confidential” or a “trade secret” any information that it believes to be excepted from disclosure waives any and all claims Provider may make against the Subrecipient for releasing such information without prior notice to Provider. Provider shall notify the Subrecipient within twenty-four (24) hours of receipt of any third party written requests for information, and forward a copy of said written requests to the Subrecipient. If the request was not written, Provider shall forward the third party's contact information to the Subrecipient.

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VIII. MISCELLANEOUS PROVISIONS

8.01 INSURANCE

Provider shall acquire for the duration of this Contract insurance with financially sound and reputable insurers licensed by the Texas Department of Insurance, in the type and amount and in the form required by Attachment E of this Contract, **REQUIRED INSURANCE AND FORM**. Furthermore, Provider shall submit a certificate of liability insurance as required under this Contract, including (if requested) a schedule of coverage (or “underwriter’s schedules”) establishing to the satisfaction of the Subrecipient the nature and extent of coverage granted by each policy.

Provider shall submit certificates of insurance and endorsements electronically, in the manner requested by the Subrecipient. In the event that any policy is determined to be deficient to comply with the terms of this Contract, Provider shall secure such additional policies or coverage as the Subrecipient may reasonably request or that are required by law or regulation.

Provider will be responsible for submitting renewed certificates of insurance and endorsements, as evidence of insurance coverage throughout the term of this Contract. Provider may not be actively working on behalf of the Subrecipient if the insurance coverage does not adhere to insurance requirements. Failure to submit required insurance documents may result in the cancellation of this Contract.

8.02 TAXES/WORKERS’ COMPENSATION/UNEMPLOYMENT INSURANCE

PROVIDER AGREES AND ACKNOWLEDGES THAT DURING THE EXISTENCE OF THIS CONTRACT, PROVIDER SHALL BE ENTIRELY RESPONSIBLE FOR THE LIABILITY AND PAYMENT OF PROVIDER’S AND PROVIDER’S EMPLOYEES’ TAXES OF WHATEVER KIND, ARISING OUT OF THE PERFORMANCES IN THIS CONTRACT. PROVIDER AGREES TO COMPLY WITH ALL STATE AND FEDERAL LAWS APPLICABLE TO ANY SUCH PERSONS, INCLUDING LAWS REGARDING WAGES, TAXES, INSURANCE, AND WORKERS’ COMPENSATION. THE SUBRECIPIENT SHALL NOT BE LIABLE TO THE PROVIDER, ITS EMPLOYEES, AGENTS, OR OTHERS FOR THE PAYMENT OF TAXES OR THE PROVISION OF UNEMPLOYMENT INSURANCE AND/ OR WORKERS’ COMPENSATION OR ANY BENEFIT AVAILABLE TO A STATE EMPLOYEE OR EMPLOYEE OF ANOTHER GOVERNMENTAL ENTITY CUSTOMER. 2) PROVIDER AGREES TO INDEMNIFY AND HOLD HARMLESS THE SUBRECIPIENT, THE GLO, THE STATE OF TEXAS AND/OR THEIR EMPLOYEES, AGENTS, REPRESENTATIVES, CONTRACTORS, AND/OR ASSIGNEES FROM ANY AND ALL LIABILITY, ACTIONS, CLAIMS, DEMANDS, OR SUITS, AND ALL RELATED COSTS, ATTORNEYS’ FEES, AND EXPENSES, RELATING TO TAX LIABILITY, UNEMPLOYMENT INSURANCE AND/OR WORKERS’ COMPENSATION IN ITS PERFORMANCE UNDER THIS CONTRACT. PROVIDER SHALL BE LIABLE TO PAY ALL COSTS OF DEFENSE INCLUDING ATTORNEYS’ FEES. THE DEFENSE SHALL BE COORDINATED BY PROVIDER WITH THE SUBRECIPIENT NAMED AS A DEFENDANT IN ANY LAWSUIT AND PROVIDER

MAY NOT AGREE TO ANY SETTLEMENT WITHOUT FIRST OBTAINING THE CONCURRENCE FROM THE SUBRECIPIENT. PROVIDER AND THE SUBRECIPIENT AGREE TO FURNISH TIMELY WRITTEN NOTICE TO EACH OTHER OF ANY SUCH CLAIM.

8.03 LEGAL OBLIGATIONS

Provider shall procure and maintain for the duration of this Contract any state, county, city, or federal license, authorization, insurance, waiver, permit, qualification or certification required by statute, ordinance, law, or regulation to be held by Provider to provide the goods or services required by this Contract. Provider will be responsible for payment of all taxes, assessments, fees, premiums, permits, and licenses required by law. Provider agrees to be responsible for payment of any such government obligations not paid by its subcontractors during performance of this Contract.

8.04 INDEMNITY

EXCEPT FOR DAMAGES DIRECTLY OR PROXIMATELY CAUSED BY THE GROSS NEGLIGENCE OF THE SUBRECIPIENT OR THE GLO, PROVIDER SHALL INDEMNIFY AND HOLD HARMLESS THE SUBRECIPIENT, THE STATE OF TEXAS, THE GLO, AND THE OFFICERS, REPRESENTATIVES, AGENTS, AND EMPLOYEES OF THE SUBRECIPIENT, THE STATE OF TEXAS, AND THE GLO FROM ANY LOSSES, CLAIMS, SUITS, ACTIONS, DAMAGES, OR LIABILITY (INCLUDING ALL COSTS AND EXPENSES OF DEFENDING AGAINST ALL OF THE AFOREMENTIONED) ARISING IN CONNECTION WITH:

- **THIS CONTRACT;**
- **ANY NEGLIGENCE, ACT, OMISSION, OR MISCONDUCT IN THE PERFORMANCE OF THE SERVICES REFERENCED HEREIN; OR**
- **ANY CLAIMS OR AMOUNTS ARISING OR RECOVERABLE UNDER FEDERAL OR STATE WORKERS' COMPENSATION LAWS, THE TEXAS TORT CLAIMS ACT, OR ANY OTHER SUCH LAWS.**

PROVIDER SHALL BE RESPONSIBLE FOR THE SAFETY AND WELL BEING OF ITS EMPLOYEES, CUSTOMERS, AND INVITEES. THESE REQUIREMENTS SHALL SURVIVE THE TERM OF THIS AGREEMENT UNTIL ALL CLAIMS HAVE BEEN SETTLED OR RESOLVED AND SUITABLE EVIDENCE TO THAT EFFECT HAS BEEN FURNISHED TO THE SUBRECIPIENT. THE PROVISIONS OF THIS SECTION 8.03 SHALL SURVIVE TERMINATION OF THIS CONTRACT.

8.05 ASSIGNMENT AND SUBCONTRACTS

Provider shall not assign, transfer, or delegate any rights, obligations, or duties under this Contract without the prior written consent of the Subrecipient. Notwithstanding this provision, it is mutually understood and agreed that Provider may subcontract with others for some or all of the services to be performed. In any approved subcontracts, Provider shall legally bind such subcontractor to perform and make such subcontractor subject to all the duties, requirements, and obligations of Provider as specified in this Contract. Nothing in this Contract shall be construed to relieve Provider of the responsibility for ensuring that the goods

delivered and/or the services rendered by Provider and/or any of its subcontractors comply with all the terms and provisions of this Contract. Provider will provide written notification to the Subrecipient of any such subcontractor performing fifteen percent (15%) or more of the work under this Contract, including the name and taxpayer identification number of subcontractor, the task(s) being performed, and the number of subcontractor employees expected to work on the task.

8.06 RELATIONSHIP OF THE PARTIES

Provider is associated with the Subrecipient only for the purposes and to the extent specified in this Contract, and, with respect to Provider’s performance pursuant to this Contract, Provider is and shall be an independent contractor and, subject only to the terms of this Contract, shall have the sole right to supervise, manage, operate, control, and direct performance of the details incident to its duties under this Contract. Nothing contained in this Contract shall be deemed or construed to create a partnership or joint venture, to create relationships of an employer-employee or principal-agent, or to otherwise create for the Subrecipient or the GLO any liability whatsoever with respect to the indebtedness, liabilities, and obligations of Provider or any other party. Provider shall be solely responsible for, and the Subrecipient shall have no obligation with respect to:

- (a) withholding of income taxes, FICA, or any other taxes or fees;
- (b) industrial or workers’ compensation insurance coverage;
- (c) participation in any group insurance plans available to employees of the State of Texas;
- (d) participation or contributions by the State to the State Employees Retirement System;
- (e) accumulation of vacation leave or sick leave; or
- (f) unemployment compensation coverage provided by the State.

8.07 COMPLIANCE WITH OTHER LAWS

In the performance of this Contract, Provider shall comply with all applicable federal, state, and local laws, ordinances, and regulations. Provider shall make itself familiar with and at all times shall observe and comply with all federal, state, and local laws, ordinances, and regulations that in any manner affect performance under this Contract including, but not limited to, those attached hereto and incorporated herein for all purposes as **Attachment D**. Provider will be deemed to have knowledge of all applicable laws and regulations and be deemed to understand them.

8.08 NOTICES

Any notices required under this Contract shall be deemed delivered when deposited either in the United States mail, postage paid, certified, return receipt requested; or with a common carrier, overnight, signature required, to the appropriate address below:

Subrecipient

Name*****

Address*****

City, State ZIP**

Attention: *****

Provider

Langford Community Management Services, Inc.

9017 W. State HWY 29, Suite 206

Liberty Hill, Texas 78642

Attention: Judy Langford, President

Notice given in any other manner shall be deemed effective only if and when received by the party to be notified. Either party may change its address for notice by written notice to the other party as herein provided.

8.10 GOVERNING LAW AND VENUE

This Contract and the rights and obligations of the parties hereto shall be governed by, and construed according to, the laws of the State of Texas, exclusive of conflicts of law provisions. Venue of any suit between Subrecipient and Provider under this Contract shall be in a court of competent jurisdiction in Harris County, Texas. Provider irrevocably waives any objection, including any objection to personal jurisdiction or the laying of venue or based on the grounds of forum non conveniens, which it may now or hereafter have to the bringing of any action or proceeding in such jurisdiction in respect of this Contract or any document related hereto.

8.11 SEVERABILITY

If any provision contained in this Contract is held to be unenforceable by a court of law or equity, this Contract shall be construed as if such provision did not exist and the non-enforceability of such provision shall not be held to render any other provision or provisions of this Contract unenforceable.

8.12 FORCE MAJEURE

Except with respect to the obligation of payments under this Contract, if either of the parties, after a good faith effort, is prevented from complying with any express or implied covenant of this Contract by reason of war; terrorism; rebellion; riots; strikes; acts of God; any valid order, rule, or regulation of governmental authority; or similar events that are beyond the control of the affected party (collectively referred to as a "Force Majeure"), then, while so prevented, the affected party's obligation to comply with such covenant shall be suspended, and the affected party shall not be liable for damages for failure to comply with such covenant. In any such event, the party claiming Force Majeure shall promptly notify the other party of the Force Majeure event in writing and, if possible, such notice shall set forth the extent and duration thereof. The party claiming Force Majeure shall exercise due diligence to prevent, eliminate, or overcome such Force Majeure event where it is possible to do so and shall resume performance at the earliest possible date. However, if non-performance continues for more than thirty (30) days, the GLO may terminate this Contract immediately upon written notification to Provider.

8.13 DISPUTE RESOLUTION

If the CDBG-DRRP program imposes a reduction in administrative grant funds due to non-compliance and/or disallowed costs as stipulated by the agency, the contracting parties will negotiate an agreement of payment. If the non-compliance and/or disallowed costs is (are) not the fault or in control of the consulting firm, the County will be responsible for the difference in grant funds.

If the negotiation phase between the contracting entities does not reach an agreement, executives of the contracting entities, with decision-making authority, will enter into mediation to facilitate a settlement by employing a skilled neutral, not to impose a solution, but to assist the parties in reaching agreement. A final binding Arbitration Phase will occur in case the non-binding phase produces no settlement.

8.14 ENTIRE CONTRACT AND MODIFICATION

This Contract, its integrated Attachment(s), and any Technical Guidance issued in conjunction with this Contract, if any, constitute the entire agreement of the parties and are intended as a complete and exclusive statement of the promises, representations, negotiations, discussions, and other agreements that may have been made in connection with the subject matter hereof. Any additional or conflicting terms in such Attachment(s), Technical Guidance Letter shall be harmonized with this Contract to the extent possible. Unless such integrated Attachment, Technical Guidance Letter, or Revision specifically displays a mutual intent to amend a particular part of this Contract, general conflicts in language shall be construed consistently with the terms of this Contract.

8.15 COUNTERPARTS

This Contract may be executed in any number of counterparts, each of which shall be an original, and all such counterparts shall together constitute but one and the same Contract. If the Contract is not executed by the GLO within thirty (30) days of execution by the other party, this Contract shall be null and void. In the sole discretion of the GLO, Work Orders issued, if any, may be executed by the parties in counterparts exchanged by electronic mail.

8.16 THIRD-PARTY BENEFICIARY

The Parties agree that the GLO, as the administrator of the CDBG-DRRP program, is a third-party beneficiary to this Contract and that the GLO shall have the right to enforce any provision of this Contract. Provided, however, that GLO shall only enforce a provision Contract after notifying the Parties, in writing, of a potential breach or default of the Contract and allowing the Provider sixty (60) days to cure the breach or default. Venue of any suit under this Section 8.17 shall be in a court of competent jurisdiction in Travis County, Texas. Provider irrevocably waives any objection, including any objection to personal jurisdiction or the laying of venue or based on the grounds of forum non conveniens, which it may now or hereafter have to the bringing of any action or proceeding in such jurisdiction in respect of this Contract or any document related hereto. **NOTHING IN THIS SECTION SHALL BE CONSTRUED AS A WAIVER OF SOVEREIGN IMMUNITY BY THE GLO.**

8.17 PROPER AUTHORITY

Each party hereto represents and warrants that the person executing this Contract on its behalf has full power and authority to enter into this Contract. Provider acknowledges that this Contract is effective for the period of time specified in the Contract. Any services performed by Provider before this Contract is effective or after it ceases to be effective are performed at the sole risk of Provider.

SIGNATURE PAGE FOLLOWS

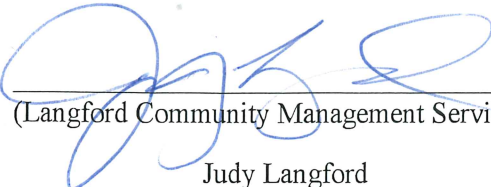
IN WITNESSETH WHEREOF, the parties have executed this Agreement by causing the same to be signed on this 3rd day of March, 2025.

City of Tomball, Texas

BY: _____
(Subrecipient's Authorized Representative)

(Printed Name)

(Title)

BY:  _____
(Langford Community Management Services)
Judy Langford

(Printed Name)
President

(Title)

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0042), Washington, DC 20503.

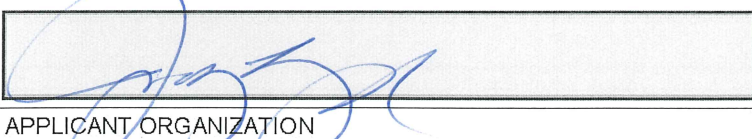
PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.

NOTE: Certain of these assurances may not be applicable to your project or program. If you have questions, please contact the Awarding Agency. Further, certain Federal assistance awarding agencies may require applicants to certify to additional assurances. If such is the case, you will be notified.

As the duly authorized representative of the applicant, I certify that the applicant:

1. Has the legal authority to apply for Federal assistance, and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project costs) to ensure proper planning, management and completion of project described in this application.
2. Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, the right to examine all records, books, papers, or documents related to the assistance; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. Will not dispose of, modify the use of, or change the terms of the real property title or other interest in the site and facilities without permission and instructions from the awarding agency. Will record the Federal awarding agency directives and will include a covenant in the title of real property acquired in whole or in part with Federal assistance funds to assure non-discrimination during the useful life of the project.
4. Will comply with the requirements of the assistance awarding agency with regard to the drafting, review and approval of construction plans and specifications.
5. Will provide and maintain competent and adequate engineering supervision at the construction site to ensure that the complete work conforms with the approved plans and specifications and will furnish progressive reports and such other information as may be required by the assistance awarding agency or State.
6. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.
7. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
8. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed standards of merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).
9. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.
10. Will comply with all Federal statutes relating to non-discrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681 1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee 3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.

11. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal and federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.
12. Will comply with the provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.
13. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333) regarding labor standards for federally-assisted construction subagreements.
14. Will comply with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
15. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).
16. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
17. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq).
18. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations."
19. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.
20. Will comply with the requirements of Section 106(g) of the Trafficking Victims Protection Act (TVPA) of 2000, as amended (22 U.S.C. 7104) which prohibits grant award recipients or a sub-recipient from (1) Engaging in severe forms of trafficking in persons during the period of time that the award is in effect (2) Procuring a commercial sex act during the period of time that the award is in effect or (3) Using forced labor in the performance of the award or subawards under the award.

SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL 	TITLE President
APPLICANT ORGANIZATION Langford Community Management Services	DATE SUBMITTED March 3, 2025

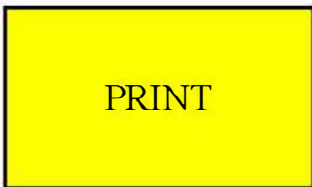
SF-424D (Rev. 7-97) Back

DISCLOSURE OF LOBBYING ACTIVITIES

Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352
(See reverse for public burden disclosure.)

1. Type of Federal Action: <input type="checkbox"/> a. contract <input type="checkbox"/> b. grant <input type="checkbox"/> c. cooperative agreement <input type="checkbox"/> d. loan <input type="checkbox"/> e. loan guarantee <input type="checkbox"/> f. loan insurance	2. Status of Federal Action: <input type="checkbox"/> a. bid/offer/application <input type="checkbox"/> b. initial award <input type="checkbox"/> c. post-award	3. Report Type: <input type="checkbox"/> a. initial filing <input type="checkbox"/> b. material change For Material Change Only: year _____ quarter _____ date of last report _____
4. Name and Address of Reporting Entity: <input type="checkbox"/> Prime <input type="checkbox"/> Subawardee Tier _____, if known: Congressional District, if known: 4c	5. If Reporting Entity in No. 4 is a Subawardee, Enter Name and Address of Prime: Congressional District, if known:	
6. Federal Department/Agency:	7. Federal Program Name/Description: CFDA Number, if applicable: _____	
8. Federal Action Number, if known:	9. Award Amount, if known: \$ _____	
10. a. Name and Address of Lobbying Registrant (if individual, last name, first name, MI):	b. Individuals Performing Services (including address if different from No. 10a) (last name, first name, MI):	
11. Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.	Signature: _____ Print Name: _____ Title: _____ Telephone No.: _____ Date: _____	
Federal Use Only:		Authorized for Local Reproduction Standard Form LLL (Rev. 7-97)

N/A



INSTRUCTIONS FOR COMPLETION OF SF-LLL, DISCLOSURE OF LOBBYING ACTIVITIES

This disclosure form shall be completed by the reporting entity, whether subawardee or prime Federal recipient, at the initiation or receipt of a covered Federal action, or a material change to a previous filing, pursuant to title 31 U.S.C. section 1352. The filing of a form is required for each payment or agreement to make payment to any lobbying entity for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a covered Federal action. Complete all items that apply for both the initial filing and material change report. Refer to the implementing guidance published by the Office of Management and Budget for additional information.

1. Identify the type of covered Federal action for which lobbying activity is and/or has been secured to influence the outcome of a covered Federal action.
2. Identify the status of the covered Federal action.
3. Identify the appropriate classification of this report. If this is a followup report caused by a material change to the information previously reported, enter the year and quarter in which the change occurred. Enter the date of the last previously submitted report by this reporting entity for this covered Federal action.
4. Enter the full name, address, city, State and zip code of the reporting entity. Include Congressional District, if known. Check the appropriate classification of the reporting entity that designates if it is, or expects to be, a prime or subaward recipient. Identify the tier of the subawardee, e.g., the first subawardee of the prime is the 1st tier. Subawards include but are not limited to subcontracts, subgrants and contract awards under grants.
5. If the organization filing the report in item 4 checks "Subawardee," then enter the full name, address, city, State and zip code of the prime Federal recipient. Include Congressional District, if known.
6. Enter the name of the Federal agency making the award or loan commitment. Include at least one organizational level below agency name, if known. For example, Department of Transportation, United States Coast Guard.
7. Enter the Federal program name or description for the covered Federal action (item 1). If known, enter the full Catalog of Federal Domestic Assistance (CFDA) number for grants, cooperative agreements, loans, and loan commitments.
8. Enter the most appropriate Federal identifying number available for the Federal action identified in item 1 (e.g., Request for Proposal (RFP) number; Invitation for Bid (IFB) number; grant announcement number; the contract, grant, or loan award number; the application/proposal control number assigned by the Federal agency). Include prefixes, e.g., "RFP-DE-90-001."
9. For a covered Federal action where there has been an award or loan commitment by the Federal agency, enter the Federal amount of the award/loan commitment for the prime entity identified in item 4 or 5.
10. (a) Enter the full name, address, city, State and zip code of the lobbying registrant under the Lobbying Disclosure Act of 1995 engaged by the reporting entity identified in item 4 to influence the covered Federal action.

(b) Enter the full names of the individual(s) performing services, and include full address if different from 10 (a). Enter Last Name, First Name, and Middle Initial (MI).
11. The certifying official shall sign and date the form, print his/her name, title, and telephone number.

According to the Paperwork Reduction Act, as amended, no persons are required to respond to a collection of information unless it displays a valid OMB Control Number. The valid OMB control number for this information collection is OMB No. 0348-0046. Public reporting burden for this collection of information is estimated to average 10 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0046), Washington, DC 20503.

**THIS FORM SHOULD BE EXECUTED ONLY WHEN REPORTING
LOBBYING ACTIVITIES UNDERTAKEN WITH GRANT FUNDS**

**CERTIFICATION REGARDING LOBBYING
COMPLIANT WITH APPENDIX A TO 24 C.F.R. PART 871**

Certification for Contracts, Grants, Loans, and Cooperative Agreements:

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Statement for Loan Guarantees and Loan Insurance:

The undersigned states, to the best of his or her knowledge and belief, that: If any funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this commitment providing for the United States to insure or guarantee a loan, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions. Submission of this statement is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required statement shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

As the duly authorized representative of the applicant, I hereby certify that the applicant will comply with the above applicable certification.

NAME OF CONTRACTOR

AWARD NUMBER AND/OR PROJECT NAME

Langford Community Management Services

PRINTED NAME AND TITLE OF AUTHORIZED REPRESENTATIVE

Judy Langford, President

SIGNATURE

DATE March 3, 2025

1 24 C.F.R. 87 App. A, available at <https://www.gpo.gov/fdsys/granule/CFR-2011-title24-voll/CFR-2011-title24-voll-part87-appA>. Published Apr. 1, 2011. Accessed Aug. 1, 2018.

GENERAL AFFIRMATIONS

Provider agrees without exception to the following affirmations:

1. Provider certifies that he/she/it has not given, offered to give, nor intends to give at anytime hereafter, any economic opportunity, future employment, gift, loan gratuity, special discount, trip, favor, or service to a public servant in connection with the Contract.
2. Provider certifies that neither Provider nor any firm, corporation, partnership, or institution represented by Provider or anyone acting for such firm, corporation, partnership, or institution has (1) violated the antitrust laws of the State of Texas under Texas Business & Commerce Code, Chapter 15, or federal antitrust laws; or (2) communicated the contents of the Contract or proposal either directly or indirectly to any competitor or any other person engaged in the same line of business during the procurement process for the Contract or proposal.
3. Provider certifies that if its business address shown on the Contract is a Texas address, that address is the legal business address of Provider and Provider qualifies as a Texas Resident Bidder under Texas Administrative Code, Title 34, Part 1, Chapter 20.
4. Section 2155.004 of the Texas Government Code prohibits the award of a contract that includes proposed financial participation by a person who received compensation from the Subrecipient to participate in preparing the specifications or request for proposals on which the Contract is based. Under Section 2155.004, Government Code, the vendor [Provider] certifies that the individual or business entity named in this bid or Contract is not ineligible to receive the specified Contract and acknowledges that the Contract may be terminated and payment withheld if this certification is inaccurate.
5. Under Texas Family Code section 231.006, a child support obligor who is more than 30 days delinquent in paying child support and a business entity in which the obligor is a sole proprietor, partner, shareholder, or owner with an ownership interest of at least 25 percent is not eligible to receive payments from state funds under a contract to provide property, materials, or services. Under Section 231.006, Texas Family Code, the vendor or applicant [Provider] certifies that the individual or business entity named in this Contract, bid, or application is not ineligible to receive the specified grant, loan, or payment and acknowledges that this Contract may be terminated and payment may be withheld if this certification is inaccurate.
6. Provider agrees that any payments due under the Contract will be applied towards any debt, including but not limited to delinquent taxes and child support, Provider owes to the State of Texas.
7. The Subrecipient is federally mandated to adhere to the directions provided in the President's Executive Order (EO) 13224, blocking property and prohibiting transactions with persons who commit, threaten to commit, or support terrorism and any subsequent changes made to it. The Subrecipient will cross-reference Providers/vendors with the federal System for Award Management (<https://www.sam.gov/>), which includes the United States Treasury's Office of Foreign Assets Control (OFAC) Specially Designated National (SDN) list.
8. Provider certifies: 1) that the responding entity and its principals are eligible to participate in this transaction and have not been subjected to suspension, debarment, or similar ineligibility determined by any federal, state, or local governmental entity; 2) that Provider is in compliance with the State of Texas statutes and rules relating to procurement; and 3) that Provider is not listed on the federal government's terrorism watch list as described in Executive Order 13224. Entities ineligible for federal procurement are listed at <https://www.sam.gov/>.

9. Under Section 2155.006(b) of the Texas Government Code, the Subrecipient may not enter into a contract that includes proposed financial participation by a person who, during the five year period preceding the date of the bid or award, has been: (1) convicted of violating a federal law in connection with a contract awarded by the federal government for relief, recovery, or reconstruction efforts as a result of Hurricane Rita, as defined by Section 39.459, Utilities Code, Hurricane Katrina, or any other disaster occurring after September 24, 2005; or (2) assessed a penalty in a federal civil or administrative enforcement action in connection with a contract awarded by the federal government for relief, recovery, or reconstruction efforts as a result of Hurricane Rita, as defined by Section 39.459, Utilities Code, Hurricane Katrina, or any other disaster occurring after September 24, 2005. Under Section 2155.006 of the Texas Government Code, Provider certifies that the individual or business entity named in the Contract is not ineligible to receive the specified Contract and acknowledges that the Contract may be terminated and payment withheld if this certification is inaccurate.
10. The state auditor may conduct an audit or investigation of any entity receiving state funds directly under the Contract or indirectly through a subcontract under the Contract. Acceptance of funds directly under the Contract or indirectly through a subcontract under the Contract acts as acceptance of the authority of the state auditor, under the direction of the legislative audit committee, to conduct an audit or investigation in connection with those funds. Under the direction of the legislative audit committee, an entity that is the subject of an audit or investigation by the state auditor must provide the state auditor with access to any information the state auditor considers relevant to the investigation or audit. Provider shall ensure that this clause concerning the authority to audit funds received indirectly by subcontractors through Provider and the requirement to cooperate is included in any subcontract it awards.
11. Provider understands that the neither the Subrecipient nor the GLO tolerate any type of fraud. The Subrecipient's policy is to promote consistent, legal, and ethical organizational behavior by assigning responsibilities and providing guidelines to enforce controls. Any violations of law, agency policies, or standards of ethical conduct will be investigated, and appropriate actions will be taken. Providers are expected to report any possible fraudulent or dishonest acts, waste, or abuse affecting any transaction with the GLO to the GLO's Internal Audit Director at 512.463.5338 or to tracey.hall@glo.texas.gov.

NOTE: Information, documentation, and other material related to this Contract may be subject to public disclosure pursuant to the "Public Information Act," Chapter 552 of the Texas Government Code.

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TEXAS GENERAL LAND OFFICE

GRANT ADMINISTRATION

SERVICES

SCOPE OF WORK

SCOPE OF SERVICES REQUESTED	2
DESCRIPTION OF SERVICES AND SPECIAL CONDITIONS.....	2
GRANT ADMINISTRATION SERVICES – INFRASTRUCTURE	5
GRANT ADMINISTRATION SERVICES – RENTAL HOUSING.....	7
GRANT ADMINISTRATION SERVICES – NON-RENTAL HOUSING.....	13

SCOPE OF SERVICES REQUESTED

Providers will help the GLO fulfill State and Federal Community Development Block Grant Disaster Recovery (“CDBG-DR”) statutory responsibilities related to recovery in connection with any federally declared disaster. Providers will assist the GLO and/or grant recipients in completion of CDBG-DR qualified housing or non-housing projects. Respondents may be qualified to provide Grant Administration services for housing projects, non-housing projects, or both. Grant administrative services must be performed in compliance with the U.S. Department of Housing and Urban Development (“HUD”) and guidelines issued by the GLO.

DESCRIPTION OF SERVICES AND SPECIAL CONDITIONS

Respondent must be able to perform the tasks listed herein to be considered eligible for an award under this Solicitation. Respondents should provide a detailed narrative of their experience as it relates to each of the items below. Respondents should clearly indicate if they intend to provide services in-house with existing staff or through subcontracting or partnership arrangements. Grant Administration Services will be provided in conformance with the guidance documents and use forms provided by the subrecipient utilizing GLO guidance. The providers shall furnish pre-funding and post-funding grant administrative services to complete the disaster recovery projects, including, but not limited to the following:

Pre-Funding Services

Grant Administrator will develop project scope and complete CDBG-DR application. The provider will work with the subrecipient and Engineering, if applicable, to provide the concise information needed for submission of complete disaster recovery funding application and related documents. The required information shall be submitted in a format to be described by the GLO.

Post-Funding Services

Grant Administrator will administer and complete infrastructure, utilities, housing and eligible projects approved for disaster recovery funding. The selected administrative firm must follow all requirements of the Texas CDBG Disaster Recovery program.

Grant Administration Services – General

(a) Administrative Duties:

- i. Coordinate, as necessary, between subrecipient and any other appropriate service providers (i.e. Engineer, Environmental, etc.), contractor, subcontractor and GLO to effectuate the services requested.
- ii. May assist in public hearings.
- iii. Will work with GLO's system of record.
- iv. Provide monthly project status updates.
- v. Funding release will be based on deliverables identified in the contract.

vi. Labor and procurement duties:

- a. Provide all Labor Standards Officer (LSO) Services.
- b. Ensure compliance with all relevant labor standards regulations.
- c. Ensure compliance with procurement regulations and policies.
- d. Maintain document files to support compliance.

vii. Financial duties:

- a. Prepare and submit all required reports (Section 3, Financial Interest, etc.).
- b. Assist subrecipient with the procurement of audit services.
- c. Assist subrecipient in establishing and maintaining a bank account for disaster recovery funds.
- d. Implementation and coordination of Affirmatively Furthering Fair Housing ("AFFH") requirements as directed by HUD and the GLO.
- e. Implementation and coordination of Section 504 requirements.
- f. Program compliance.

- g. Ensure that fraud prevention and abuse practices are in place and being implemented.
- h. Prepare and submit all closeout documents.
- i. Submit all invoices no later than 60 days after the expiration of the contract. All outstanding funds may be swept after 60 days. The provider may request an extension of this requirement in writing.
- j. Assist in preparation of contract revisions and supporting documents including but not limited to:
 - Amendments/modifications,
 - Change orders.

(b) Construction Management

- i. The provider will assist the subrecipient in submitting/setting up project applications in the GLO's system of record.
- ii. The provider may compile and collate complete contract/bid packages that meet GLO program requirements. The packages will contain supporting documentation that meets or exceeds the requirements of the GLO's program. If applications do not have the necessary forms, the provider may assist the subrecipient by coordinating to acquire the necessary documentation.
- iii. The provider may monitor, report, and evaluate contractor's performance; notify the subrecipient if the contractor(s) fails to meet established scheduled milestones. Receive, review, recommend, and process any change orders as appropriate to the individual projects.
- iv. The provider may assist the subrecipient with project Activity Draws/Close Out.
- v. The provider may assist the subrecipient by submitting all the necessary documentation for draws and to close a project activity in the GLO's system of record. The provider will compile, review for completeness, and collate complete contract/closeout packages that meet GLO program requirements for draw requests. If applications do not have the necessary forms, the provider may assist the subrecipient by coordinating to acquire the necessary documentation.
- vi. The provider may assist the subrecipient in developing

Architectural and Engineering plans with guidance from the GLO.

vii. Reassignment scope alignment (if necessary).

Grant Administration Services – Infrastructure

a) Administrative Duties:

- i. Ensure program compliance including all CDBG-DR requirements and all part's therein, current Federal Register, etc.
- ii. Assist subrecipient in establishing and maintaining financial processes.
- iii. Obtain and maintain copies of the subrecipient's most current contract including all related change requests, revisions and attachments.
- iv. Establish and maintain record keeping systems.
- v. Assist subrecipient with resolving monitoring and audit findings.
- vi. Serve as monitoring liaison.
- vii. Assist subrecipient with resolving third party claims.
- viii. Report suspected fraud to the GLO.
- ix. Submit timely responses to the GLO requests for additional information.
- x. Complete draw request forms and supporting documents.
- xi. Facilitate outreach efforts, application intake, and eligibility review.
- xii. Perform any other administrative duty required to deliver the project.
- xiii. Utilize and assist with GLO's system of record to complete milestones, submit documentation, reports, draws, change requests, etc.
- xiv. Submit change requests and all required documentation related to any change requests.

(b) Acquisition Duties:

- i. Submit acquisition reports and related documents.

- ii. Establish acquisition files (if necessary).
- iii. Assist Subrecipient with acquisition activities (if necessary).

(c) Environmental Services

- i. Assist detailed scope of services
 - a. Review each project description to ascertain and/or verify the level of environmental review required: Exempt, Categorical Exclusion not Subject to 58.5, Categorical Exclusion Subject to 58.5, Environmental Assessment, and Environmental Impact Statements;
 - b. Prepare, complete and submit HUD required forms for environmental review and provide all documentation to support environmental findings;
 - c. Consult and coordinate with oversight/regulatory agencies to facilitate environmental clearance;
 - d. Be able to perform or contract special studies, additional assessments, or permitting to secure environmental clearance. These may include, but are not limited to biological assessments, wetland delineations, asbestos surveys, lead-based paint assessments, archeology studies, architectural reviews, Phase I & II ESAs, USACE permits, etc.;
 - e. Prepare all responses to comments received during comment phase of the environmental review, including State/Federal Agency requiring further studies and/or comments from public or private entities during public comment period;
 - f. Maintain close coordination with local officials, project engineer and other members of the project team to assure appropriate level of environmental review is performed and no work is conducted without authorization;
 - g. Complete and submit the environmental review into GLO's system of record;
 - h. At least one site visit to project location and completion of a field observation report
 - i. Prepare and submit for publication all public

notices including, but not limited to the Notice of Finding of No Significant Impact (FONSI), Request for Release of Funds floodplain/wetland early and final notices in required order and sequence;

- j. Provide documentation of clearance for Parties Known to be Interested as required by 24 CFR 58.43;
- k. Process environmental review and clearance in accordance with NEPA;
- l. Advise and complete environmental re-evaluations per 24 CFR 58.47 when evidence of further clearance or assessment is required;
- m. Prepare and submit Monthly Status Report; and
- n. Participate in regularly scheduled progress meetings.

Grant Administration Services – Rental Housing

- a) Administrative Duties:
 - i. Develop and submit for approval rental guidelines.
 - ii. Assist the grant recipient in developing a Notice of Funding Availability (NOFA).
 - iii. Develop and submit for approval an Affirmative Marketing Plan on behalf of the subrecipient utilizing GLO guidance.
 - iv. Develop a tenant selection policy on behalf of the subrecipient based on GLO guidance.
 - v. Develop and submit for approval a needs assessment on behalf of the subrecipient based on GLO guidance.
 - vi. Develop and submit to site-specific environmental reviews as required by 24 CFR Part 58.
 - vii. Develop and submit a monitoring plan for approved projects on behalf of the subrecipient based on GLO guidance.
 - viii. The provider will assist the subrecipient in conducting assessments of all incomplete projects and align the GLO Form

11.17, to the constructed project. The provider will determine the percent complete and the dollar value of the partially completed project and the dollar value necessary to assign to the new Contractor to complete the project. This is accomplished through a joint Provider and Contractor site visit utilizing the initial Contractor's GLO Form 11.17, as the basis for construction and payment due to the contractor.

b) Project Case Management:

- i. Assist the subrecipient with any project, transaction, service or response that is "opened" and "closed" over a period of time to achieve resolution of a problem, claim, request, proposal, development or other complex activity.
- ii. Assist the subrecipient in developing project application eligibility procedures, processing, and approvals.

c) Site Inspections:

- i. Assist the subrecipient with Disaster Damage Assessments (Damage Inspections) - Assist in performing a visual field review of projects to determine the presence of damage to the project that may be attributable to the disaster event. The damage assessment will follow the GLO issued Damage Assessment Guidelines and includes:
 - a. Assist the subrecipient with observations and documentation (written and photographic) of findings of disaster-related damage to the following:
 - i. Foundation;
 - ii. Exterior walls;
 - iii. Exterior wall finishes;
 - iv. Windows and doors;
 - v. Roof system (roof coverings, deck, joists, tie downs, diaphragms, penetrations, flashing, and closures);
 - vi. Floor system and structure;
 - vii. Electrical system components;
 - viii. Plumbing system components;

- ix. Heating, ventilation and air conditioning system;
 - x. Interior wall finishes;
 - xi. Interior fixtures and components;
 - xii. Porches;
 - xiii. Exterior stairs and ramps;
 - xiv. Miscellaneous items not covered by the above such as septic systems, chimneys/fireplaces, etc.
- b. The results of the Disaster Damage Assessment will be provided according to the GLO sample provided in the GLO issued Damage Assessment Guidelines. The damage inspector's report will include:
- i. The reviewer's name;
 - ii. The property address;
 - iii. The homeowner's name;
 - iv. A checklist of housing components that may have received disaster damage, if any;
 - v. A narrative that specifically and clearly documents disaster-related property damage via photographic evidence and detailed narratives of the damage;
 - vi. The reviewer's certification, signature, and date of review.
- c. The results of the disaster damage assessment may be provided in a format similar to *Forms 11.01 or 11.01A*. The 11.01A, Initial Inspection Checklist, Short will be completed for homes that have received disaster damage that obviously cannot be rehabilitated. Form 11.01 will be completed in accordance with the guidance contained in HQS 52580.
- ii. Estimated Cost of Repair Inspection (Work Write-Up):
- a. Assist in providing an estimated cost of repair inspections with the damage assessments. Upon notification that a project has been determined eligible for Program

assistance, the respondent will prepare an Estimated Cost of Repair (ECR) for the program-eligible repairs.

- b. ECR's will be developed to include repair of damage that could reasonably be attributed to the disaster event and repairs to bring the project into compliance with HUD Housing Quality Standards, local, state and federal building codes. The scopes of repair will be developed to include work items necessary for the identified repairs to be performed in accordance with the International Residential Code, 2009 Edition (where required) and to meet the GLO's Minimum Housing Design Standards.
- c. Assistance to the subrecipient may include:
 - i. Contact the project owner to schedule a date and time to perform the field review.
 - ii. Travel to the project site.
 - iii. Perform the visual review of the project to determine the approximate amount and extent of damage to the project. The review will include the observations and documentation (written and photographic) of findings of disaster-related damage if not already documented.
 - iv. Develop a Scope of Repair to address the observed damage and initially determine the applicability of the proposed repairs to the criteria of the Program. The draft Scope of Repair will include:
 - a. a summary list of items to be addressed;
 - b. a basic description of the repair approach for each item;
 - c. estimated item quantities; and
 - d. site photographs.
 - v. Consider the following in preparation of the ECR:
 - a. the specific materials needed;
 - b. the quantity of those materials;
 - c. trades involved;

- d. the level of effort and duration for each trade;
 - e. estimated rates and manpower; and
 - f. equipment required to accomplish each of the identified repairs.
- vi. Utilize the following to develop the ECR:
- a. current industry cost standards as identified by Xactimate or RSMeans price lists for the project location;
 - b. experience with projects of similar size and scope; and
 - c. Knowledge of the local market rates and conditions.
- vii. Summarize the data and findings into the final ECR and will furnish a copy of the ECR to the subrecipient. The final ECR will include the following:
- a. a completed *Form 11.17, Work Write-up and Cost Estimate* containing a general scope of repair and summary of construction costs.
- viii. Assist the subrecipient with project inspections at:
- a. 50% complete
 - b. A final inspection at 100% complete
- ix. In the case of a single family rental, assist the subrecipient with reconstruction inspections:
- a. Foundation
 - b. 33% complete progress inspection
 - c. 66% complete progress inspection
 - d. Final inspection at 100% completion
 - e. Arrange for and TREC inspection to be conducted prior to closing.

- x. Upon notification of a project being ready for a Construction Review, the provider may:
 - a. Contact the project owner and or subrecipient to schedule a date and time to perform the Review.
 - b. Travel to the project site.
 - c. Conduct on-site observations (field review) of the work completed.

The purpose of the field review is to observe and document: the progress of the work; the estimated quantity and value of work accomplished to date; the materials and workmanship utilized; the general conformance to the agreed upon Scope of Repairs (Scope); and identify items necessary for completion.

During the field review, the provider may observe work which, in its opinion, does not conform generally to the agreed upon Scope or may compromise the integrity of the repair. The provider may recommend rejection of this work.

Upon completion of the field review, the provider may summarize and present the findings of the field review to include:

- i. Estimated amounts owed to the Contractor.
- ii. Items of work that are incomplete (Punch List items).
- iii. Other items of work that may be required by the apparent intent of the Scope that is not included in the Scope.

d) Environmental Service

- i. The provider may assist the subrecipient in performing environmental reviews and documentation for HUD compliance in connection with the program. The provider may provide services for the preparation of Environmental Review Records (ERR) in accordance with the standards set forth by HUD and the statutes, executive orders, and regulations listed at 24 CFR Part 58.
- ii. The provider may submit a request for Special Services to

subrecipient if environmental document review and site inspections indicate that additional investigation is warranted.

- iii. Special services may include, but are not limited to the following tasks:
 - a. Archeological study required by SHPO;
 - b. Lead-based paint and/or asbestos inspection; and
 - c. Wetlands assessment.

Grant Administration Services – Non-Rental Housing

- a) Administrative Duties:
 - i. Develop and implement Outreach Plans detailing specific outreach for the project. Plans will be required to be submitted and approved by GLO on a project by project basis.
 - ii. Perform extensive community outreach to affected areas on behalf of the subrecipient utilizing GLO guidance.
 - iii. Develop and submit for approval Housing Guidelines on behalf of the subrecipient utilizing GLO guidance.
 - iv. Develop and submit for approval a Needs Assessment on behalf of the subrecipient based on GLO guidance.
 - v. Provide case management support to subrecipient to manage the grant applications process, including but not limited to:
 - a. creating eligibility procedures to lessen the fallout of applicants;
 - b. advising applicants on eligibility and program requirements, and assist in application preparation and submission;
 - c. facilitating intake of applications from grant applicants;
 - d. performing eligibility reviews;
 - e. processing applications, including necessary communications;
 - f. capture applicant fallout reasons; and
 - g. the follow-up to grant applicants.

- vi. Participate in the appeals process and handling of disputes for disallowed/ineligible applications.
- vii. Act as an advocate for applicants through appeals process when required.
- viii. Assist applicants through housing construction process.
- ix. Perform other application management and homeowner support duties as required to ensure the success of the program.
- x. Develop and submit to site-specific environmental reviews as required by 24 CFR Part 58.
- xi. Provide construction and builder management services as required to comply with applicable construction codes and program requirements.
- xii. The provider will assist the subrecipient in conducting assessments of all incomplete projects and align the GLO *Form 11.17*, to the constructed project. The provider will determine the percent complete and the dollar value of the partially completed project and the dollar value necessary to assign to the new Contractor to complete the project. This is accomplished through a joint Provider and Contractor site visit utilizing the initial Contractor's GLO *Form 11.17*, as the basis for construction and payment due to the contractor.

b) Site Inspections

- i. Establish Disaster Damage Assessments (Damage Inspections).
 - a. Assist in performing a visual field review of single-family housing units to determine the presence of damage to the home that may be attributable to the disaster event. The damage assessment will follow the GLO issued Damage Assessment Guidelines and includes:
 - b. The respondent may assist the subrecipient with:
 - i. Contacting the Homeowner to schedule a date and time to perform the field review.
 - ii. Traveling to the project site.
 - iii. Interviewing the Homeowner on site to gain a perspective of the pre-disaster condition of the

structure; damage resulting directly from the disaster; and damage resulting from subsequent deterioration. The provider may utilize this information to assist in its review of the housing unit.

- c. Performing the visual review of the housing unit to determine the presence of damage to the home that may be attributed to a national disaster declaration. The review will include the observations and documentation (written and photographic) of findings of disaster-related damage to the following:
 - i. Foundation;
 - ii. Exterior walls;
 - iii. Exterior wall finishes;
 - iv. Windows and doors;
 - v. Roof system (roof coverings, deck, joists, tie downs, diaphragms, penetrations, flashing, and closures);
 - vi. Floor system and structure;
 - vii. Electrical system components;
 - viii. Plumbing system components;
 - ix. Heating, ventilation and air conditioning system;
 - x. Interior wall finishes;
 - xi. Interior fixtures and components;
 - xii. Porches;
 - xiii. Exterior stairs and ramps;
 - xiv. Miscellaneous items not covered by the above such as septic systems, chimneys/fireplaces, etc.
- d. The results of the Disaster Damage Assessment will be provided according to the GLO sample provided in the GLO issued Damage Assessment Guidelines. The damage inspectors report will include:

- i. The reviewer's name;
- ii. The property address;
- iii. The homeowner's name;
- iv. A checklist of housing components that may have received disaster damage, if any;
- v. A narrative that specifically and clearly documents disaster-related property damage via photographic evidence and detailed narratives of the damage; and
- vi. The reviewer's certification, signature, and date of review.

The results of the disaster damage assessment may be provided in a format similar to the *11.01 or 11.01A* forms. The *11.01A, Initial Inspection Checklist, Short* will be completed for homes that have received disaster-damage that obviously cannot be rehabilitated. *Form 11.01*, will be completed in accordance with the guidance contained in HQS 52580.

- ii. Estimated Cost of Repair Inspection (Work Write-Up).
 - a. Assist in providing an estimated cost of repair inspections with the damage assessments. Upon notification that a property has been determined eligible for Program assistance, the respondent will prepare an Estimated Cost of Repair ("ECR") for the program-eligible repairs.
 - b. ECRs will be developed to include repair of damage that could reasonably be attributed to the disaster event and repairs to bring the home into compliance with HUD Housing Quality Standards, local, state and federal building codes. The scopes of repair will be developed to include work items necessary for the identified repairs to be performed in accordance with the International Residential Code, 2009 Edition (where required) and to meet the GLO's Minimum Housing Design Standards.
 - c. Assistance to the subrecipient may include:
 - i. Contact the Homeowner to schedule a date and time to perform the field review.

- ii. Travel to the project site.
- iii. Perform the visual review of the housing unit to determine the approximate amount and extent of damage to the home. The review will include the observations and documentation (written and photographic) of findings of disaster-related damage if not already documented.
- iv. Develop a Scope of Repair to address the observed damage and initially determine the applicability of the proposed repairs to the criteria of the Program. The draft Scope of Repair will include:
 - a. a summary list of items to be addressed;
 - b. a basic description of the repair approach for each item;
 - c. estimated item quantities; and
 - d. site photographs.
- iii. Consider the following in preparation of the ECR:
 - a. the specific materials needed;
 - b. the quantity of those materials;
 - c. trades involved;
 - d. the level of effort and duration for each trade;
 - e. estimated rates and manpower; and
 - f. equipment required to accomplish each of the identified repairs.
- iv. Utilize the following to develop the ECR:
 - a. current industry cost standards as identified by Xactimate or RSMeans price lists for the project location;
 - b. experience with projects of similar size and scope; and
 - c. knowledge of the local market rates and conditions.

- v. Summarize the data and findings into the final ECR and will furnish a copy of the ECR to the applicable subrecipient. The final ECR will include the following:
 - a. A completed *Form 11.17, Work Write-up and Cost Estimate* containing a general scope of repair and summary of construction costs.
- vi. Assist the subrecipient with Rehabilitation Inspections at:
 - a. 50% complete progress inspection
 - b. A final inspection at 100% complete
- vii. Assist the subrecipient with reconstruction inspections at:
 - a. Foundation
 - b. 33% complete progress inspection
 - c. 66% complete progress inspection
 - d. A final inspection at 100% complete
- viii. Upon notification of a home being ready for a Construction Review, the provider may contact the homeowner and contractor to schedule a date and time to perform the Review.
 - a. Travel to the project site.
 - b. Conduct on-site observations (field review) of the work completed. The purpose of the field review is to observe and document: the progress of the work; the estimated quantity and value of work accomplished to date; the materials and workmanship utilized; the general conformance to the agreed upon Scope of Repairs (Scope); and identify items necessary for completion. During the field review, the provider may observe work which, in its opinion, does not conform generally to the agreed upon Scope or may compromise the integrity of the repair. The provider may recommend rejection of this work.

Upon completion of the field review, the provider may summarize and present the findings of the field review to include:

- a. Estimated amounts owed to the Contractor.

- b. Items of work that are incomplete (Punch List items).
- c. Other items of work that may be required by the apparent intent of the Scope that is not included in the Scope.

c) Environmental Services

- i. The provider may assist the subrecipient in performing environmental reviews and documentation for HUD compliance in connection with the Program. The provider will provide services for the preparation of Environmental Review Records (ERR) in accordance with the standards set forth by HUD and the statutes, executive orders, and regulations listed at 24 CFR Part 58.
- ii. The provider may submit a request for Special Services to subrecipient if environmental document review and site inspections indicate that additional investigation is warranted.
- iii. Special services may include, but are not limited to the following tasks:
 - a. Archeological study required by SHPO;
 - b. Lead-based paint and/or asbestos inspection; and
 - c. Wetlands assessment.

NONEXCLUSIVE LIST OF APPLICABLE LAWS, RULES, AND REGULATIONS

If applicable to the Project, Provider must be in compliance with the following laws, rules, and regulations; and any other state, federal, or local laws, rules, and regulations as may become applicable throughout the term of the Contract, and Provider acknowledges that this list may not include all such applicable laws, rules, and regulations.

Provider and is deemed to have read and understands the requirements of each of the following, if applicable to the Project under this Contract:

GENERALLY

The Acts and Regulations specified in this Contract;

Consolidated Security, Disaster Assistance, and Continuing Appropriation Act (Public Law 110-329);

The Housing and Community Development Act of 1974 (12 U.S.C. § 5301 *et seq.*);

Cash Management Improvement Act regulations (31 C.F.R. Part 205);

Community Development Block Grants (24 C.F.R. Part 570);

Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 C.F.R. Part 200);

Disaster Recovery Implementation Manual;

Plan for Disaster Recovery

CIVIL RIGHTS

Title VI of the Civil Rights Act of 1964, (42 U.S.C. § 2000d *et seq.*); 24 C.F.R. Part 1, "Nondiscrimination in Federally Assisted Programs of the Department of Housing and Urban Development - Effectuation of Title VI of the Civil Rights Act of 1964";

Title VII of the Civil Rights Act of 1964, as amended by the Equal Employment Opportunity Act of 1972 (42 U.S.C. § 2000e *et seq.*);

Title VIII of the Civil Rights Act of 1968, "The Fair Housing Act of 1968" (42 U.S.C. 3601 *et seq.*), as amended;

Executive Order 11063, as amended by Executive Order 12259, and 24 C. F.R. Part 107, "Nondiscrimination and Equal Opportunity in Housing under Executive Order 11063"; The

failure or refusal of Provider to comply with the requirements of Executive Order 11063 or 24 C.F.R. Part 107 shall be a proper basis for the imposition of sanctions specified in 24 C.F.R. 107.60;

The Age Discrimination Act of 1975 (42 U.S.C. 6101 *et seq.*); and

Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794.) and "Nondiscrimination Based on Handicap in Federally-Assisted Programs and Activities of the Department of Housing and Urban Development", 24 C.F.R. Part 8. By signing this Contract, Provider understands and agrees that the activities funded shall be performed in accordance with 24 C.F.R. Part 8; and the Architectural Barriers Act of 1968 (42 U.S.C. 4151 *et seq.*), including the use of a telecommunications device for deaf persons (TDDs) or equally effective communication system.

LABOR STANDARDS

The Davis-Bacon Act, as amended (originally, 40 U.S.C. 276a-276a-5 and re-codified at 40 U.S.C. 3141-3148); 29 C.F.R. Part 5;

The Copeland "Anti-Kickback" Act (originally, 18 U.S.C. 874 and re-codified at 40 U.S.C. 3145); 29 C.F.R. Part 3;

Sections 103 and 107 of the Contract Work Hours and Safety Standards Act (originally, 40 U.S.C. § 327A and 330 and re-codified at 40 U.S.C. 3701-3708);

Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction (Also Labor Standards Provisions Applicable to Non-construction Contracts Subject to the Contract Work Hours and Safety Standards Act) (29 C.F.R. Part 5); and

Federal Executive Order 11246, as amended;

EMPLOYMENT OPPORTUNITIES

Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C.1701u): 24 C.F.R. §§ 135.3(a)(2) and (a)(3);

The Vietnam Era Veterans' Readjustment Assistance Act of 1974 (38 U.S.C. § 4212); and

Title IX of the Education Amendments of 1972 (20 U.S.C. §§ 1681-1688); and

Federal Executive Order 11246, as amended;

GRANT AND AUDIT STANDARDS

Single Audit Act Amendments of 1996, 31 U.S.C. § 7501;

Uniform Administrative Requirements, Cost Principles, and Audit Requirements for

Federal Awards (2 C.F.R. Part 200);

Uniform Grant and Contract Management Act (Texas Government Code Chapter 783) and the Uniform Grant Management Standards issued by Governor's Office of Budget and Planning; and

Title 1 Texas Administrative Code § 5.167(c);

LEAD-BASED PAINT

Section 302 of the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4831(b)) and the procedures established by TDRA thereunder.

HISTORIC PROPERTIES

The National Historic Preservation Act of 1966 as amended (16 U.S.C. 470 *et seq.*), particularly sections 106 and 110 (16 U.S.C. 470 and 470h-2), except as provided in §58.17 for Section 17 projects;

Executive Order 11593, Protection and Enhancement of the Cultural Environment, May 13, 1971 (36 FR 8921), 3 C.F.R. 1971-1975 Comp., p. 559, particularly section 2(c);

Federal historic preservation regulations as follows: 36 C.F.R. part 800 with respect to HUD programs; and

The Reservoir Salvage Act of 1960 as amended by the Archeological and Historic Preservation Act of 1974 (16 U.S.C. 469 *et seq.*), particularly section 3 (16 U.S.C. 469a-1).

ENVIRONMENTAL LAW AND AUTHORITIES

Environmental Review Procedures for Recipients assuming HUD Environmental Responsibilities (24 C.F.R. Part 58, as amended);

National Environmental Policy Act of 1969, as amended (42 U.S.C. §§ 4321-4347); and

Council for Environmental Quality Regulations for Implementing NEPA (40 C.F.R. Parts 1500-1508).

FLOODPLAIN MANAGEMENT AND WETLAND PROTECTION

Executive Order 11988, Floodplain Management, May 24, 1977 (42 FR 26951), 3 CFR, 1977 Comp., p. 117, as interpreted in HUD regulations at 24 C.F.R. part 55, particularly Section 2(a) of the Order (For an explanation of the relationship between the decision-making process in 24 C.F.R. part 55 and this part, see § 55.10.); and

Executive Order 11990, Protection of Wetlands, May 24, 1977 (42 FR 26961), 3 C.F.R., 1977 Comp., p. 121 particularly Sections 2 and 5.

COASTAL ZONE MANAGEMENT

The Coastal Zone Management Act of 1972 (16 U.S.C. 1451 *et seq.*), as amended, particularly sections 307(c) and (d) (16 U.S.C. 1456(c) and (d)).

SOLE SOURCE AQUIFERS

The Safe Drinking Water Act of 1974 (42 U.S.C. 201, 300(f) *et seq.*, and 21 U.S.C. 349) as amended; particularly section 1424(e)(42 U.S.C. 300h-3(e); and

Sole Source Aquifers (Environmental Protection Agency-40 C.F.R. part 149.).

ENDANGERED SPECIES

The Endangered Species Act of 1973 (16 U.S.C. 1531 *et seq.*) as amended, particularly section 7 (16 U.S.C. 1536).

WILD AND SCENIC RIVERS

The Wild and Scenic Rivers Act of 1968 (16 U.S.C. 1271 *et seq.*) as amended, particularly sections 7(b) and (c) (16 U.S.C. 1278(b) and (c)).

AIR QUALITY

The Clean Air Act (42 U.S.C. 7401 *et seq.*) as amended, particularly sections 176(c) and (d) (42 U.S.C. 7506(c) and (d)).

Determining Conformity of Federal Actions to State or Federal Implementation Plans (Environmental Protection Agency-40 C.F.R. parts 6, 51, and 93).

FARMLAND PROTECTION

Farmland Protection Policy Act of 1981 (7 U.S.C. 4201 *et seq.*) particularly sections 1540(b) and 1541 (7 U.S.C. 4201(b) and 4202); and

Farmland Protection Policy (Department of Agriculture-7 C.F.R. part 658).

HUD ENVIRONMENTAL STANDARDS

Applicable criteria and standards specified in HUD environmental regulations (24 C.F.R. part 51) (other than the runway clear zone and clear zone notification requirement in 24 C.F.R. 51.303(a)(3)); and

HUD Notice 79-33, Policy Guidance to Address the Problems Posed by Toxic Chemicals and Radioactive Materials, September 10, 1979).

ENVIRONMENTAL JUSTICE

Executive Order 12898 of February 11, 1994 --- Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, (59 FR 7629), 3 CFR, 1994 Comp. p. 859.

SUSPENSION AND DEBARMENT

Use of debarred, suspended, or ineligible contractors or subrecipients (24 C.F.R. Section 570.609);

General HUD Program Requirements; Waivers (24 C.F.R. Part 5); and

Nonprocurement Suspension and Debarment (2 C.F.R. Part 2424).

OTHER REQUIREMENTS

Environmental Review Procedures for Entities Assuming HUD Environmental Responsibilities (24 C.F.R. Part 58).

ACQUISITION / RELOCATION

The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4601 *et seq.*), 24 C.F.R. Part 42, and 24 C.F.R. Section 570.606.

Submit with preparation of documentation as required by this law.

FAITH-BASED ACTIVITIES

Executive Order 13279 of December 12, 2002 - Equal Protection of the Laws for Faith-Based and Community Organizations, (67 FR 77141).

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REQUIRED CONTRACT PROVISIONS

2 CFR 200.327 Contract provisions. The non-Federal entity’s contracts should contain applicable provisions described in Appendix II to Part 200—Contract Provisions for non-Federal Entity Contracts Under Federal Awards. The non-Federal entity’s contracts must contain the provisions described in Appendix II to Part 200—Contract Provisions for non-Federal Entity Contracts Under Federal Awards, as applicable. ***Language as of April 5, 2022.**

THRESHOLD	PROVISION	CITATION
>\$250,000 (Simplified Acquisition Threshold)	Contracts for more than the simplified acquisition threshold, which is the inflation adjusted amount determined by the Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) as authorized by 41 U.S.C. 1908 , must address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as appropriate.	2 CFR 200 APPENDIX II (A)
>\$10,000	All contracts in excess of \$10,000 must address termination for cause and for convenience by the non-Federal entity including the manner by which it will be effected and the basis for settlement.	2 CFR 200 APPENDIX II (B)
None	<p>Equal Employment Opportunity. Except as otherwise provided under 41 CFR Part 60, all contracts that meet the definition of “federally assisted construction contract” in 41 CFR Part 60-1.3 must include the equal opportunity clause provided under 41 CFR 60-1.4(b), in accordance with Executive Order 11246, “Equal Employment Opportunity” (30 FR 12319, 12935, 3 CFR Part, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, “Amending Executive Order 11246 Relating to Equal Employment Opportunity,” and implementing regulations at 41 CFR part 60, “Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor.”</p> <p>41 CFR 60-1.4 Equal opportunity clause.</p> <p>(b) Federally assisted construction contracts. (1) Except as otherwise provided, each administering agency shall require the inclusion of the following language as a condition of any grant, contract, loan, insurance, or guarantee involving federally assisted construction which is not exempt from the requirements of the equal opportunity clause:</p> <p>The [recipient] hereby agrees that it will incorporate or cause to be incorporated into any contract for construction work, or modification thereof, as defined in the regulations of the Secretary of Labor at 41 CFR Chapter 60, which is paid for in whole or in part with funds obtained from the Federal Government or borrowed on the credit of the Federal Government pursuant to a grant, contract, loan, insurance, or guarantee, or undertaken pursuant to any Federal program involving such grant, contract, loan, insurance, or guarantee, the following equal opportunity clause:</p> <p>During the performance of this contract, the contractor agrees as follows:</p> <p>(2) The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, sexual orientation, gender identity, or national origin. Such action shall include, but not be limited to the following:</p>	2 CFR 200 APPENDIX II I and 41 CFR §60-1.4(b)

Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.

(2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, sexual orientation, gender identity, or national origin.

(3) The contractor will not discharge or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. This provision shall not apply to instances in which an employee who has access to the compensation information of other employees or applicants as a part of such employee's essential job functions discloses the compensation of such other employees or applicants to individuals who do not otherwise have access to such information, unless such disclosure is in response to a formal complaint or charge, in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or is consistent with the contractor's legal duty to furnish information.

(4) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or workers' representatives of the contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(5) The contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(6) The contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(7) In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract may be canceled, terminated, or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

	<p>(8) The contractor will include the portion of the sentence immediately preceding paragraph (1) and the provisions of paragraphs (1) through (8) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance:</p> <p>Provided, however, that in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the administering agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States.</p> <p>The [recipient] further agrees that it will be bound by the above equal opportunity clause with respect to its own employment practices when it participates in federally assisted construction work: Provided, that if the [recipient] so participating is a State or local government, the above equal opportunity clause is not applicable to any agency, instrumentality or subdivision of such government which does not participate in work on or under the contract.</p> <p>The [recipient] agrees that it will assist and cooperate actively with the administering agency and the Secretary of Labor in obtaining the compliance of contractors and subcontractors with the equal opportunity clause and the rules, regulations, and relevant orders of the Secretary of Labor, that it will furnish the administering agency and the Secretary of Labor such information as they may require for the supervision of such compliance, and that it will otherwise assist the administering agency in the discharge of the agency's primary responsibility for securing compliance.</p> <p>The [recipient] further agrees that it will refrain from entering into any contract or contract modification subject to Executive Order 11246 of September 24, 1965, with a contractor debarred from, or who has not demonstrated eligibility for, Government contracts and federally assisted construction contracts pursuant to the Executive Order and will carry out such sanctions and penalties for violation of the equal opportunity clause as may be imposed upon contractors and subcontractors by the administering agency or the Secretary of Labor pursuant to Part II, Subpart D of the Executive Order. In addition, the [recipient] agrees that if it fails or refuses to comply with these undertakings, the administering agency may take any or all of the following actions: Cancel, terminate, or suspend in whole or in part this grant (contract, loan, insurance, guarantee); refrain from extending any further assistance to the [recipient] under the program with respect to which the failure or refund occurred until satisfactory assurance of future compliance has been received from such [recipient]; and refer the case to the Department of Justice for appropriate legal proceedings.</p>	
<p>>\$2,000</p>	<p>Davis-Bacon Act, as amended (40 U.S.C. 3141-3148). When required by Federal program legislation, all prime construction contracts in excess of \$2,000 awarded by non-Federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 CFR Part 5, "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted</p>	<p>2 CFR 200 APPENDIX II (D)</p>

	<p>Construction”). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-Federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency. The contracts must also include a provision for compliance with the Copeland “Anti-Kickback” Act (40 U.S.C. 3145), as supplemented by Department of Labor regulations (29 CFR Part 3, “Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States”). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency.</p>	
>\$100,000	<p>Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708). Where applicable, all contracts awarded by the non-Federal entity in excess of \$100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5). Under 40 U.S.C. 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.</p>	2 CFR 200 APPENDIX II I
None	<p>Rights to Inventions Made Under a Contract or Agreement. If the Federal award meets the definition of “funding agreement” under 37 CFR § 401.2 (a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that “funding agreement,” the recipient or subrecipient must comply with the requirements of 37 CFR Part 401, “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements,” and any implementing regulations issued by the awarding agency.</p>	2 CFR 200 APPENDIX II (F)
>\$150,000	<p>Clean Air Act (42 U.S.C. 7401-7671q.) and the Federal Water Pollution Control Act (33 U.S.C. 1251-1387), as amended – Contracts and subgrants of amounts in excess of \$150,000 must contain a provision that requires the non-Federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).</p>	2 CFR 200 APPENDIX II (G)
>\$25,000	<p>Debarment and Suspension (Executive Orders 12549 and 12689) – A contract award (see 2 CFR 180.220) must not be made to parties listed on the</p>	2 CFR 200 APPENDIX II (H)

	governmentwide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), "Debarment and Suspension." SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.	
>\$100,000	Byrd Anti-Lobbying Amendment (31 U.S.C. 1352) – Contractors that apply or bid for an award exceeding \$100,000 must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352 . Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award.	2 CFR 200 APPENDIX II (I) and 24 CFR §570.303
	See 2 CFR §200.323.	2 CFR 200 APPENDIX II (J)
	See 2 CFR §200.216.	2 CFR 200 APPENDIX II (K)
	See 2 CFR §200.322.	2 CFR 200 APPENDIX II (L)
>\$10,000	An NFE (non-Federal Entity) that is a state agency or an agency of a political subdivision of a state, and the NFE's contractors must comply with Section 6002 of the Solid Waste Disposal Act. ⁵⁶ Applicable NFEs must include a contract provision requiring compliance with this requirement. ⁵⁷ This includes contracts awarded by a state agency or political subdivision of a state and its contractors for certain items, as designated by the EPA, with a purchase price greater than \$10,000. ⁵⁸ Indian Tribal Governments and nonprofit organizations are not required to comply with this provision. Additional requirements are listed below.	2 CFR 200.323
>\$100,000	<p><i>§135.38 Section 3 clause</i> <i>All section 3 covered contracts shall include the following clause (referred to as the section 3 clause):</i></p> <p>A. The work to be performed under this contract is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (Section 3). The purpose of section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.</p> <p>B. The parties to this contract agree to comply with HUD's regulations in 24 CFR part 135, which implement section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.</p> <p>C. The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding,</p>	

	<p>if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.</p> <p>D. The contractor agrees to include this section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135.</p> <p>E. The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR part 135.</p> <p>F. Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.</p> <p>G. With respect to work performed in connection with section 3 covered Indian housing assistance, section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this contract. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this contract that are subject to the provisions of section 3 and section 7(b) agree to comply with section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b).</p>	
None	<p>Section 889(b)(1) of the John S. McCain National Defense Authorization Act for Fiscal Year 2019 (FY2019 NDAA) and 2 C.F.R. § 200.216, as implemented by FEMA Policy 405-143-1, Prohibitions on Expending FEMA Award Funds for Covered Telecommunications Equipment or Services (Interim), prohibit the obligation or expending of federal award funds on certain telecommunication products or from certain entities for national security reasons. Effective August 13, 2020, FEMA recipients and subrecipients, as well as their contractors and subcontractors, may not obligate or expend any FEMA award funds to:</p>	2 CFR 200.216

	<p>a. Procure or obtain any equipment, system, or service that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology of any system;</p> <p>b. Enter into, extend, or renew a contract to procure or obtain any equipment, system, or service that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology of any system; or</p> <p>c. Enter into, extend, or renew contracts with entities that use covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system.</p>	
None	<p>As appropriate and to the extent consistent with law, the non-Federal entity should, to the greatest extent practicable under a Federal award, provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States (including but not limited to iron, aluminum, steel, cement, and other manufactured products). The requirements of this section must be included in all subawards including all contracts and purchase orders for work or products under this award. For purposes of this section:</p> <p>(1) "Produced in the United States" means, for iron and steel products, that all manufacturing processes, from the initial melting stage through the application of coatings, occurred in the United States.</p> <p>(2) "Manufactured products" means items and construction materials composed in whole or in part of non-ferrous metals such as aluminum; plastics and polymer-based products such as polyvinyl chloride pipe; aggregates such as concrete; glass, including optical fiber; and lumber.</p>	<p>2 CFR 200.322(a)(b)(1) (2)</p>
None	<p>The Federal awarding agency must establish conflict of interest policies for Federal awards. The non-Federal entity must disclose in writing any potential conflict of interest to the Federal awarding agency or pass-through entity in accordance with applicable Federal awarding agency policy.</p>	<p>2 CFR 200.112</p>
None	<p>The Federal awarding agency and the non-Federal entity should, whenever practicable, collect, transmit, and store Federal award-related information in open and machine-readable formats rather than in closed formats or on paper in accordance with applicable legislative requirements. A machine-readable format is a format in a standard computer language (not English text) that can be read automatically by a web browser or computer system. The Federal awarding agency or pass-through entity must always provide or accept paper versions of Federal award-related information to and from the non-Federal entity upon request. If paper copies are submitted, the Federal awarding agency or pass-through entity must not require more than an original and two copies. When original records are electronic and cannot be altered, there is no need to create and retain paper copies. When original records are paper, electronic versions may be substituted through the use of duplication or other forms of electronic media provided that they are subject to periodic quality control reviews, provide reasonable safeguards against alteration, and remain readable.</p>	<p>2 CFR 200.336</p>
None	<p>Contracting with HUB, small and minority businesses, women's business enterprises, and labor surplus area firms.</p> <p>(a) The non-Federal entity must take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible.</p> <p>(b) Affirmative steps must include:</p> <p>(1) Placing qualified small and minority businesses and women's business enterprises on solicitation lists;</p>	<p>2 CFR 200.321</p>

	<p>(2) Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;</p> <p>(3) Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises;</p> <p>(4) Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises;</p> <p>(5) Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and</p> <p>(6) Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs (b)(1) through (5) of this section.</p>	
<p>None</p>	<p>Financial records, supporting documents, statistical records, and all other non-Federal entity records pertinent to a Federal award must be retained for a period of three years from the date of submission of the final expenditure report or, for Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or pass-through entity in the case of a subrecipient. Federal awarding agencies and pass-through entities must not impose any other record retention requirements upon non-Federal entities. The only exceptions are the following:</p> <p>(a) If any litigation, claim, or audit is started before the expiration of the 3-year period, the records must be retained until all litigation, claims, or audit findings involving the records have been resolved and final action taken.</p> <p>(b) When the non-Federal entity is notified in writing by the Federal awarding agency, cognizant agency for audit, oversight agency for audit, cognizant agency for indirect costs, or pass-through entity to extend the retention period.</p> <p>(c) Records for real property and equipment acquired with Federal funds must be retained for 3 years after final disposition.</p> <p>(d) When records are transferred to or maintained by the Federal awarding agency or pass-through entity, the 3-year retention requirement is not applicable to the non-Federal entity.</p> <p>(e) Records for program income transactions after the period of performance. In some cases, recipients must report program income after the period of performance. Where there is such a requirement, the retention period for the records pertaining to the earning of the program income starts from the end of the non-Federal entity's fiscal year in which the program income is earned.</p> <p>(f) Indirect cost rate proposals and cost allocations plans. This paragraph applies to the following types of documents and their supporting records: Indirect cost rate computations or proposals, cost allocation plans, and any similar accounting computations of the rate at which a particular group of costs is chargeable (such as computer usage chargeback rates or composite fringe benefit rates).</p> <p>(1) <i>If submitted for negotiation.</i> If the proposal, plan, or other computation is required to be submitted to the Federal Government (or to the pass-through entity) to form the basis for negotiation of the rate, then the 3-year retention period for its supporting records starts from the date of such submission.</p> <p>(2) <i>If not submitted for negotiation.</i> If the proposal, plan, or other computation is not required to be submitted to the Federal Government (or to the pass-through entity) for negotiation purposes, then the 3-year retention period for the proposal, plan, or computation and its supporting records starts from the end of the fiscal year (or other accounting period) covered by the proposal, plan, or other computation.</p>	<p>2 CFR 200.334</p>

None	CONTRACTS WITH COMPANIES ENGAGED IN BUSINESS WITH IRAN, SUDAN, OR FOREIGN TERRORIST ORGANIZATION PROHIBITED. A governmental entity may not enter into a governmental contract with a company that is identified on a list prepared and maintained under Section 806.051, 807.051, or 2252.153 . The term "foreign terrorist organization" in this paragraph has the meaning assigned to such a term in Section 2252.151(2) of the Texas Government Code.	Texas Government Code 2252.152
>\$100,000	PROVISION REQUIRED IN CONTRACT. (a) This section applies only to a contract that: (1) is between a governmental entity and a company with 10 or more full-time employees; and (2) has a value of \$100,000 or more that is to be paid wholly or partly from public funds of the governmental entity. (b) A governmental entity may not enter into a contract with a company for goods or services unless the contract contains a written verification from the company that it: (1) does not boycott Israel; and (2) will not boycott Israel during the term of the contract.	Texas Government Code 2271
Option Contract Language for contracts awarded prior to Grant Award	The contract award is contingent upon the receipt of CDBG DRRP funds. If no such funds are awarded, the contract shall terminate.	Optional
	Mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act.	42 U.S.C. 6201
	The Firm agrees that no otherwise qualified individual with disabilities shall, solely by reason of his/her disability, be denied the benefits of, or be subjected to discrimination, including discrimination in employment, under any program or activity receiving federal financial assistance.	Section 504 of the Rehabilitation Act of 1973, as amended.

CERTIFICATE OF INTERESTED PARTIES

FORM 1295

1 of 1

Complete Nos. 1 - 4 and 6 if there are interested parties.
Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.

**OFFICE USE ONLY
CERTIFICATION OF FILING**

Certificate Number:

Date Filed:

Date Acknowledged:

1 Name of business entity filing form, and the city, state and country of the business entity's place of business.

2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.

3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the services, goods, or other property to be provided under the contract.

4	Name of Interested Party	City, State, Country (place of business)	Nature of interest (check applicable)	
			Controlling	Intermediary

5 Check only if there is NO Interested Party.

6 AFFIDAVIT I swear, or affirm, under penalty of perjury, that the above disclosure is true and correct.

Signature of authorized agent of contracting business entity

AFFIX NOTARY STAMP / SEAL ABOVE

Sworn to and subscribed before me, by the said _____, this the _____ day of _____, 20_____, to certify which, witness my hand and seal of office.

Signature of officer administering oath Printed name of officer administering oath Title of officer administering oath

City Council Meeting Agenda Item Data Sheet

Meeting Date: March 17, 2025

Topic:

City of Tomball Development Review Process Evaluation

Background:

The City received five Request for Qualifications (RFQs) for the City of Tomball Development Review Process Evaluation. City Staff reviewed all RFQs and rated Matrix Consulting Group as the most qualified firm to evaluate the City. Their RFQ and Task Plan are provided for City Council review.

Origination: Community Development Department

Recommendation:

Party(ies) responsible for placing this item on agenda: Craig T. Meyers, P.E.

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 Sasha Luna Approved by _____
Staff Member Date City Manager Date

March 11, 2025

Jessica Rogers
Assistant City Manager
City of Tomball
501 James Street
Tomball, Texas 77375

Dear Ms. Rogers:

It was a pleasure speaking with you, Craig, and Jeremy recently about finalizing the Development Review Process Evaluation task plan. Matrix Consulting Group is pleased to present our revised task plan to ensure a comprehensive assessment of the City's development review, permitting, inspection operations, processes, technology, public education, and staffing needs.

We are open to discussing modifications to the revised task plan and schedule presented in this document. Aaron Baggary will be the project manager on this engagement and the point of contact for any changes to the task plan. He can be reached at abaggary@matrixcg.net and 803-622-9910.

I can also be reached for any additional information at 618-795-1995 or via email at apennington@matrixcg.net.



ALAN D. PENNINGTON

President, Matrix Consulting Group, Ltd.

1. TASK PLAN

This section of our SOQ presents an overview of the proposed task plan for conducting this engagement and ensuring a thorough review of the City's development review operations, staffing, and processes. We have structured our task plan to include an analysis of all requested tasks, identification of findings, development of recommendations, and design of a realistic implementation plan.

Task 1 | Conduct Internal City Interviews and Develop a Current State Profile.

To evaluate the development review operations and processes, we need to develop an in-depth understanding of the key issues impacting and shaping service requirements. To develop this perspective, we will interview representatives from the Community Development, Public Works, and Fire Departments, City management, Planning and Zoning Commission and Board of Adjustment representatives, and anyone identified as a key internal player in the City's development review functions. These interviews will focus on exploring issues and attitudes in the following areas:

- Goals and objectives regarding the delivery of services in each operational functional area.
- Adequacy of service levels and perceived gaps in existing service levels.
- Organizational changes that have been made in the past several years and perceptions of the impacts of these changes.
- Adequacy of software and technology, the extent to which staff and managers utilize these systems, and the data output to make meaningful managerial, operational, scheduling, and staff allocation decisions.
- Outsourcing philosophy of the City; the currently outsourced services and additional options.
- Identify relevant workload for staff involved in the review process and current challenges.

Next, we will develop a detailed description of the development review services provided by the City. We will focus on how services are delivered, staffed, and managed. The development of this detailed description will be based on interviews as well as on the collection of operating information and data, including the following:

- The current organization of the development functions including:
 - The structure and functions of each division and unit.
 - The staffing levels of each division.
 - The basic job responsibilities of staff.

- Documentation of all key operations, including:
 - Service scope and content.
 - Workload data.
 - Basic service levels.
 - The extent of contracted services by type, size, and cost.
- Documentation of the software and technology currently used, including:
 - Current permitting, review, and inspection software systems.
 - Geographical information systems.
 - Information Technology roles and responsibilities.
 - Use of hand-held/mobile devices for reporting work in the field.
 - Understand pending technology changes, if any.
- Documentation of management systems available to support departmental operations, including:
 - Organizational business functions and procedures; and
 - Performance monitoring systems.
- Document current performance targets related to major service areas within the development review process, such as turnaround times for review processes, response times for complaints, percentage of inspections completed within 24 hours of request, etc.
- Document the current coordination mechanism and procedures in place to coordinate inter-departmental delivery of services.

After the initial data collection activities have been completed, the project team will prepare a current state profile that summarizes our present understanding of the current organization, staffing, and operations related to the City's entitlement, permitting and inspection services. This current state profile will then be presented to the City's project team for their and staff's review. Once completed and reviewed, the current state profile will provide the basis for the analysis conducted and completed in subsequent study tasks.

Task Deliverable – A current state profile summarizing staffing levels, roles, technology levels, and workload for each development review functional area.

Task 2 | Diagram Primary Entitlement, Permitting, and Inspection Processes.

During this task, the focus will be the development of detailed workflow diagrams for the primary entitlement, permitting, and inspection business processes. We will develop current state workflows that show the existing processes with information detailing which departments/divisions and staff are involved in each process, whether each step is manual or automated, the handoffs between individuals and departments/divisions, the data required from

each step, and the timeframe for completion. The process mapping will display all applicable touch points between the applicant and city staff and how technology is integrated into the process.

As a result of this task, the City will be provided with detailed workflow diagrams for their primary development processes. These diagrams will provide both staff and applicants with the ability to understand current development-related processes clearly. Diagrams will be utilized to identify potential chokepoints in the process and future recommendations to create a more efficient process for staff and the customer.

Task Deliverable – Detailed process flow diagrams for key entitlement, permitting, and inspection business processes.

Task 3 | Assess Customer Satisfaction with Development Review, Permitting, and Inspection Services.

To ensure that the project team has a good understanding of past customers' perspectives of the development services provided, we will utilize two techniques to obtain input:

- Conduct an online survey of recent applicants to obtain the widest possible input on development review and permitting processes. This survey will be distributed electronically to prior customers of the City over the last 2 – 3 years and include questions regarding the efficiency, effectiveness, and clarity of current development review processes and request input on the current strengths and improvement opportunities for existing processes and procedures.
- Conduct up to five focus group meetings with prior customers to elicit more detailed and specific information regarding the City's processes. Each focus group would consist of individuals who have recently conducted business with the City and representatives from professional trade groups (e.g., homebuilders association, chamber of commerce, downtown business association, etc.).

These efforts will be designed to understand the customer's perceptions of the City's processes, services, associated challenges, and strengths of the current service environment and identify potential opportunities for improved service provision.

Task Deliverable – Summary of customer feedback from the online survey and focus group meetings identifying key trends and issues related to the development review process.

Task 4 | Compare Development Review Operations to Industry Best Practices.

The purpose of this task is to evaluate the services provided by the City related to permit review, permit issuance, and permit inspection processes, organization, staffing, and operational activities in the context of best management practices in the profession. Over our years of experience, we have compiled an extensive list of best practices of high-performing communities and professional organizations (i.e., International Code Council) for the development review processes. Tomball's building permitting operations will be assessed against this unique set of management practices. We will evaluate staffing, management and strategic planning, processes utilized, employee training, communication, timelines, technology functionality, customer information, customer service, etc.

The best practice assessment will provide an analysis that includes identifying areas where the City currently meets or exceeds the best practice and, more importantly, those areas where current gaps and shortcomings exist and, therefore, present opportunities for improving existing operations. The best practice assessment will identify major operational issues clearly and include a preliminary analysis of applicable workload and process data. This analysis will also compare current review performance against Texas and national performance standards.

Task Deliverable – An evaluation of development review practices compared to industry best practices and a summary of issues identified from this assessment.

Task 5 | Evaluate Development Review, Permitting, and Inspection Operational Practices, Processes, Technology, Customer Service, and Staffing.

This task involves evaluating processes, workload, staff utilization, work practices, customer service (internal and external), technology use, staffing, and organizational structure of the City's development review functions. We will address these issues through these approaches:

- **Analyze the various development-related work processes.** The project team will evaluate current processes, laws, and regulations to identify issues driving any inefficiencies in staffing, processes, or other issues that impact the efficiency of the various entitlement, plan review, permitting, and inspection processes. This task may result in alternative process approaches that will streamline current review, permitting, and inspection processes and be built into future recommendations. The project team will develop "to be" workflow diagrams for major process modifications. These diagrams may be used as part of customer information / educational materials, staff information and SOPs, and technology enhancements.
- **Evaluate the adequacy of major work practices utilized by each function.** This analysis will include a review of the workload for 2 – 3 years for each development review functional area. Additional analysis will focus on identifying opportunities to streamline internal

processes, assignments, and work practices to increase productivity and/or enhance their effectiveness. Also, we will identify the degree to which key tasks are not being accomplished due to a lack of staff and assess the extent to which tasks could be absorbed through streamlining of business processes. Additional analysis would focus on defining specific roles of departments/staff in the processes.

- **Analyze responses and review timeliness.** The focus of this task is for the project team to conduct an in-depth analysis of response and review timeliness. The project team will evaluate the workloads of previous years to understand processing timelines by application type. The analysis will include the timeliness of processing applications (by review entity/function), conducting initial and subsequent application reviews, issuing permits (or approval), scheduling and completing inspections, and finalizing certificates of occupancies. Also, we will identify where timelines do not comply with established performance metrics, adopted local and state ordinances, regulations, statutes, and/or industry best practices. This exercise will also identify any discrepancies in performance between review entities. Recommendations may include identifying new performance metrics to align with the City's service level expectations and resource availability.
- **Evaluate customer service, including internal and external customers.** The project team will analyze the service level provided to internal and external customers. The project team will address inter-departmental coordination related to the development process and the approaches used for public outreach and education. The analysis will also assess how to improve coordination and communication between review entities, reviewing the information provided on the City's website, determining the ease of application submittal/inspection requests, and determining the potential impact of alternative operational approaches for customers. An evaluation of how the City shares information regarding applications under review and permitted to the general public will be conducted.
- **Evaluate current technology systems.** This task will focus on understanding and assessing current technology systems utilized by the City. The project team will evaluate the current permitting software suite (SmartGov), the degree to which GIS/AI is implemented and utilized, how mobile devices are used in the field (e.g., tablets for inspectors), and the degree to which current systems result in efficient information-sharing and elimination of duplicative input. We will also evaluate how proposed changes to the use of technology may impact efficiencies and operations. Identify current issues related to accessibility and training related to the use of technology.
- **Evaluate the skill mix of current staff and determine staffing resource needs.** Our project team will evaluate the adequacy of staffing levels to conduct historical workload needs. In this analysis, we will evaluate whether the staff possesses the required skills to perform assigned tasks and the total number of in-house and/or contracted staff to complete the current workload within the adopted timelines. Staffing level analysis will be based on

different service level parameters desired by the City. Staffing needs will be provided by position classification and include internal and contracted professional, technical, and administrative positions. Staffing needs over the next five years will be provided.

- **Analyze current facilities.** In this subtask, the project team will review the Community Development Department's office space and public counter. This will include an evaluation of the current layout, accessibility, meeting space, storage, and other design features that influence the efficient provision of services internally and externally. Recommendations will be made to improve the public and department's physical space allocation, design, and resource needs.

At the conclusion of this task, we will have evaluated all aspects of the development review, permitting, and inspection processes and operations, including operational practices, processes, customer service, service levels, technology, work activities, staffing, and physical space needs to identify improvement opportunities and recommendations.

As part of the analysis, findings, and recommendations, the project team will evaluate the fiscal impacts on City operations. Fiscal analysis will include both the cost savings and incurrence associated with implementation.

Task Deliverable - A summary of the identified improvement opportunities and proposed adjustments in processes, customer service, work practices, technology, operations, and staffing levels.

Task 6 | Develop Draft and Final Reports and Plan for Implementation.

Once the work tasks noted above have been completed, our analysis, findings, and implementation plan will be compiled into a draft and final report. The draft report will contain the following elements:

- An executive summary of the study.
- Final analysis of the customer survey and focus group meeting feedback.
- Final best practices assessment analysis.
- Current and recommended process workflow diagrams.
- Analysis of historic workload trends, performance metrics, and impediments to the current process.
- Recommendations to improve the current approach to development review, identify improvement opportunities relating to philosophies and commitments, staffing required

given these commitments, and managerial and operational practices for improved service delivery.

- Evaluation of technology and recommendations to improve efficiencies.

For this study to be successful, it is important to develop a realistic implementation plan that is prioritized and includes actionable items, responsibility and accountability allocations, and adoption time frames. We would work with staff to develop an internal staff priority list for the most critical changes.

After compiling staff prioritized recommendation list, the project team will work with the City's project steering committee to (1) prioritize the recommendations, (2) develop timelines for implementation by assigning either a short-, mid-, or long-term timeframe, (3) identify the responsible party for implementation (elected officials, city management, department management) to assist in the development of the implementation plan, (4) identify the fiscal impact associated with implementation, and (5) outline of changes to code provisions relating to process workflows and customer service.

Once the City's team has reviewed the draft project report and implementation plan, we will make revisions, as needed, and finalize the report.

We will be available to present our findings, recommendations, and implementation plans to the City Manager and/or City Council.

Task Deliverable – Compile the draft report that includes findings, analysis, and recommendations. Develop an implementation plan that includes timeline, cost, and responsible party and then finalize the report and present to City Council.

2. PROJECT SCHEDULE

We propose to conduct this engagement over a six-month period, with a preliminary analysis, findings, and recommendations completed prior to budgeting work sessions in August. The following graphic outlines our proposed project schedule, noting an April project initiation date.

Task	Apr	May	Jun	Jul	Aug	Sep	Oct
1. Initiation & Current State Profile	■	■					
2. Process Diagramming		■	■				
3. Customer Survey/Focus Groups		■	■	■			
4. Best Practices Assessment			■	■	■		
5. Operational/Process Analysis				■	■	■	
6a. Draft Report						■	
6b. Final Report & Presentation							■

This schedule assumes that each interim deliverable is reviewed within two weeks.

3. COST

We propose to conduct this engagement for a not-to-exceed price of **\$88,000**. This includes four project team trips (two for interviews/process diagramming workshops, focus group facilitation, and a final report presentation). The following table summarizes our price per task.

Task	Total Hours	Total Fee
1. Initiation & Current State Profile	88	\$17,000
2. Process Diagramming	64	\$11,060
3. Customer Survey/Focus Groups	48	\$8,820
4. Best Practices Assessment	48	\$8,920
5. Operational/Process Analysis	112	\$21,680
6. Draft & Final Report	80	\$15,520
Total	440	\$83,000
Travel Expenses		\$ 5,000
Total Project Cost		\$88,000

City Council Meeting

Agenda Item

Data Sheet

Meeting Date: March 17, 2025

Topic:

Workshop Discussion Only – Approve contract with Topwater Construction Services, LLC for general contract services through a TIPS-USA contract (Contract No. 211001), for a total contract amount not-to-exceed \$140,000, approve the expenditure of funds therefor, and authorize the City Manager to execute any and all documents related to the purchases. This expenditure is included in the Fiscal Year 2024-2025 Budget.

Background:

Topwater Construction Services, Inc. is a general contractor company located in Katy, Texas, specializing in new construction, renovation, and restoration of schools, hospitals, government buildings, and other construction type components.

As part of the fiscal year 2024-2025 budget process, funding was requested to complete a renovation of the restrooms at the Police Department to include upgrading all faucets and toilets, new epoxy flooring, and adding an additional shower to each restroom to allow for two showers in the men’s and women’s facilities.

Topwater recently conducted a comprehensive walkthrough with staff to assess the current state of the restrooms at the Police Department. The primary objective of this walkthrough was to identify any issues or areas in need of improvement, ensuring the facilities are in proper working condition and meet the needs of staff. During the walkthrough, Topwater evaluated key factors including cleanliness, functionality, accessibility, and overall condition of the fixtures and infrastructure. The team took note of specific areas requiring attention, such as plumbing issues, outdated fixtures, and potential improvements.

Topwater provided a contract for services outlining the recommended renovations, upgrades, and repairs necessary to bring the restrooms to optimal standards. The renovation was budgeted for \$140,000 and the quote received is for \$127,088.87, the quote includes any mechanical, electrical and plumbing work required for the completion of the renovation. Staff recommends additional funds for the project be allocated as contingency. A full breakdown of the recommended contract award is reflected in the table below.

PD Restroom Remodel Budget Breakdown	
Element	Amount
Restroom Remodel (Topwater)	\$127,088.87
Contingency	\$12,911.13
Total Anticipated Expenditures	\$140,000

This item authorizes a contract with Topwater Construction Services, LLC for a total contract amount not-to-exceed \$140,000 through a TIPS-USA contract (Contract No. 211001).

Origination: Project Management

Recommendation:

Staff recommends approving a contract with Topwater Construction Services, LLC for a total contract amount not-to-exceed \$140,000 through a TIPS-USA contract (Contract No. 211001).

Party(ies) responsible for placing this item on agenda: Meagan Mageo, Project Manager

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: #100-157-6406

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

Signed Meagan Mageo Approved by _____
Staff Member Date City Manager Date



Client: **City of Tomball**
 Client Contact: Brandon Snell
 Architect/Plans: N/A
 Architect Contact: N/A
 MEP Engineer: N/A
 Engineer Contact: N/A

City of Tomball

Police Station
 Suite # Men's/Women's RR
 400 Fannin St
 Tomball 77375
 Project S/F 2200
 Date 02.24.25

DESCRIPTION		TOTAL
Division 1	General Conditions - Includes Project Insurance, Supervision, Protection, and Final Clean of area.	\$13,780.80
Division 2	Demolition	Included \$4,663.00
Division 3	Concrete Pour Back	Included \$3,784.00
Division 4	Masonry/Plaster	Excluded \$0.00
Division 5	Structural Steel	Excluded \$0.00
Division 6	Millwork/Casework with Granite Countertops	Included \$8,695.00
Division 7	Thermal/Moisture Protection/Waterproofing	Excluded \$0.00
Division 8	Doors/Frames/Hardware	Excluded \$0.00
	Glass/Glazing/Mirrors	Included \$2,120.00
Division 9	Drywall	Included \$7,245.00
	Interior Painting	Included \$2,826.00
	Epoxy Flooring at Restroom and Vestibule Floors	Included \$18,245.00
	Wood Flooring	Excluded \$0.00
	Ceramic Tile at New Showers	Included \$20,440.00
Division 10	Specialties & FE/FEC's	Included \$8,822.00
Division 11	Equipment and Appliances	Excluded \$0.00
Division 12	Window Treatments/Blinds/Shades	Excluded \$0.00
Division 13	Special Construction	Excluded \$0.00
Division 14	Conveying Systems/Elevators	Excluded \$0.00
Division 15	Fire Protection (Sprinklers)	Excluded \$0.00
	Plumbing	Included \$16,380.00
	Mechanical/HVAC - ALLOWANCE	Included \$2,500.00
Division 16	Electrical - ALLOWANCE	Included \$8,000.00
	Fire Alarm	Excluded \$0.00
	Security/Security Hardware	Excluded \$0.00
	Materials Testing	Excluded \$0.00
	Architectural/MEP's/TAS Review/Reimbursables	Excluded \$0.00
	Workers Comp Insurance	Excluded \$0.00
		SUBTOTAL \$117,500.80
		OH/P \$9,588.07
		Tax @ 8.25% \$0.00
		BASE BID TOTAL \$127,088.87
		APPROVED ALTERNATES \$0.00
		CONTRACT TOTAL \$127,088.87

TIPS #211001

Please sign and date if APPROVED

Prepared by: David Darnell

281.347.4010 Direct

214.616.6249 Mobile

david@topwatercsllc.com

City of Tomball

Police Station

Suite #	Men's/Women's RR
400 Fannin St	
Tomball	77375
Project S/F	2,200
Date	02.24.25

NOTES & CLARIFICATIONS

- 1 Topwater Construction Services is pleased to submit for your review our bid City of Tomball
Our pricing is based on: Walk thru of site on Feb. 4, 2025 with Brandon Snell City Of Tomball and subcontractors
- 2 Upon acceptance of the terms of this contained in this proposal, Owner acknowledges and agrees that it shall provide all the informational items listed in the Texas Business and Commerce Code 56.054 (d) and (e).
- 3 Proposal is based on work being completed during normal working hours (M-F). Part time supervision is included in proposal. Final project duration will be determined once lead-times are established.
- 4 Any subsurface obstructions which are not evident during pricing development and which must be altered may cause pricing adjustments. Proposal does not include any major floor prep or floor leveling. Minor floor prep is included.
- 5 Anything not specifically noted and/or detailed on the drawings is excluded. Proposal does not include the removal of existing pony walls that cannot be seen during pre-bid site walk-through.
- 6 Proposal EXCLUDES permit fees for permitting in City of Tomball and permitting services are excluded. Proposal excludes providing any special trash and/or recycle cans if city requires such.
- 7 Proposal does not include any hazardous materials testing / abatement. Proposal does not include cost for material testing or temporary utilities. Proposal excludes designing and/or engineering this project.
- 8 Proposal excludes providing and/or repairing any blinds and/or window treatments. Proposal excludes all furniture and/or equipment moving. Proposal excludes relocation of existing fire sprinkler mains and branch lines for ducts or light fixtures. Proposal excludes existing door, door frame, mullion, and window sill repairs, replacement an touch-up.
- 9 Proposal does not include the cost for any ADA or TAS modifications, other than what is shown on the plans. Proposal excludes re-keying and/or keying. Proposal excludes any and all roofing work unless specifically noted in this proposal.
- 10 Proposal excludes providing and installing fire dampers and fire smoke dampers not specifically shown on the drawings. Proposal also excludes return air boots not specifically shown on the drawings.
- 11 Proposal does not include any tele/data/security equipment or hardware. Proposal does not include any telephone, data or security cabling or any work for these trades. Proposal excludes all security work and all telephone/data work.
- 12 Proposal does not include any warranty, state or local code upgrades on existing equipment and or finishes.
- 13 Proposal may or may not comply with the IECC due to unknown variables. Compliance with the code may affect the final price relating to, but not limited to, lighting conservation, dual switching and occupancy sensors.
- 14 Scope of work: Topwater Construction Services bid proposal to furnish all labor, materials and equipment necessary to demo existing flooring, plumbing, partions and walls associated with the new build back. Saw cut and pour back for new plumbing required. Add new drains and water lines for added showers, F&I blocking for all wall mounted accessories, F&I all new restroom accessories as specified at walk thru. Install new epoxy flooring (Color TBD), Paint all walls and ceiling (Color TBD). F&I new FRP along wet walls at both rooms. Install new granite countertops (Selection TBD) with (2) sink cut outs at each restroom. Electrical includes to make safe for construction, relocate all plugs as required for new layout, F&I new 4' fixtures over sinks at both rooms. Dumpsters and Permit provided by City of Tomball.
- 15 Exclusions - Bonds of any kind, Landscaping/sprinkler repairs, abatement, existing equipment, hand rails, bollards, asphalt, fire saftey, strobes, sprinklers, etc. and or replacement of anything not specifically noted or shown on the proposal. Bid specifically EXCLUDES any and all existing conditions. (i.e. water damage to structure that is unforeseen)

City of Tomball

Police Station

Suite #	Men's/Women's RR
400 Fannin St	
Tomball	77375
Project S/F	2,200
Date	05.29.24

ALTERNATES

Exhibit "A"

1	Not Used.	0.00
2	Not Used.	0.00
3	Not Used.	0.00
4	Not Used.	0.00
5	Not Used.	0.00
6	Not Used.	0.00
7	Not Used.	0.00
8	Not Used.	0.00
9	Not Used.	0.00
10	Not Used.	0.00
11	Not Used.	0.00
12	Not Used.	0.00
13	Not Used.	0.00
14	Not Used.	0.00

City Council Meeting

Agenda Item

Data Sheet

Meeting Date: March 17, 2025

Topic:

Workshop Discussion Only – Adopt Resolution Number 2025-09, a Resolution Approving the Distribution of a Preliminary Limited Offering Memorandum for its Special Assessment Revenue Bonds, Series 20255 (Winfrey Estates Public Improvement District Number 12).

Background:

Per Chapter 372 of the Local Government Code, Resolution Number 2025-xx approves the distribution of the Preliminary Limited Offering Memorandum for Winfrey Estates Public Improvement District Number 12.

The Preliminary Limited Offering Memorandum (PLOM) reflects the operative provisions of the Bond Issuance Guidelines applicable to the Bonds and as described in the approved Planned Development and Development Agreement. The PLOM is a marketing document that the underwriters will distribute to potential buyers in order to sell the PID bond. Potential buyers will utilize the document, and all information contained to support the sale of the bond. All the information contained is reviewed by the Underwriter, Bond Council, Developer, and City staff to ensure accurate information is provided.

Origination: Project Management

Recommendation:

Adopt Resolution Number 2025-09 approving the Distribution of a Preliminary Limited Offering Memorandum for its Special Assessment Revenue Bonds, Series 2025 (Winfrey Estates, Public Improvement District 12).

Party(ies) responsible for placing this item on agenda: Meagan Mageo, Project Manager

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 Date

Approved by _____
City Manager Date

RESOLUTION NO. 2025-09

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TOMBALL, TEXAS
APPROVING THE DISTRIBUTION OF A PRELIMINARY LIMITED OFFERING
MEMORANDUM FOR ITS SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025
(WINFREY ESTATES PUBLIC IMPROVEMENT DISTRICT)**

* * * * *

WHEREAS, the City of Tomball, Texas (the “City”) is authorized by law to issue its Special Assessment Revenue Bonds, Series 2025 (Winfrey Estates Public Improvement District) (the “Bonds”) as set forth below; and

WHEREAS, the City Council of the City has found and determined that it is in the best interests of the City to authorize preliminary action relating to the issuance of such obligations; and

WHEREAS, the meeting at which this resolution is considered is open to the public as required by law, and the public notice of the time, place and purpose of said meeting was given as required by Chapter 551, Texas Government Code, as amended;

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

Section 1. THAT the City’s Financial Advisor, Hilltop Securities, Inc., Bond Counsel, Bracewell LLP, and appropriate staff of the City are hereby authorized and directed to take such action as is necessary to prepare for the sale and issuance of the Bonds to be issued for the purpose of reimbursing or constructing certain public improvements within the Raburn Reserve Public Improvement District, including paying the costs of issuing the bonds and funding certain reserve funds.

Section 2. THAT the form of the Preliminary Limited Offering Document with respect to such Bonds in substantially the form and substance presented at this meeting, is hereby approved, with such changes as may be approved by the City Manager, the City’s Financial Advisor and Bond Counsel prior to the distribution of such document to the bond market.

Section 3. THAT this resolution shall take effect from and after its final date of passage, and it is accordingly so ordered.

**PASSED AND APPROVED AT THE MEETING OF THE CITY COUNCIL HELD ON
THE ____ DAY OF APRIL 2025.**

Lori Klein Quinn, Mayor

ATTEST:

Shannon Bennett, Assistant City Secretary

City Council Meeting

Agenda Item

Data Sheet

Meeting Date: March 17, 2025

Topic:

Workshop discussion only - Approve an agreement authorizing the sale of four vehicles to Montgomery Independent School District for use for their Police Department and authorize the City Manager to execute any and all documents.

Background:

Chapter 791 of the Texas Local Government Code authorizes political subdivisions to enter into intergovernmental agreements, and Section 791.025 specifically provides for the purchase of goods by one political subdivision from another.

The Tomball Police Department would like to enter an agreement with the Montgomery ISD Police Department to sell four used police cars for \$3,000.00 per vehicle. The vehicles to be sold include Ford Interceptors and a Chevy Tahoe that were replaced in the FY 2024-2025 budget, and include the following shops and equipment:

<u>Shop #</u>	<u>Year</u>	<u>Make</u>	<u>Model</u>	<u>VIN</u>	<u>Mileage</u>	<u>Special Equipment</u>
15-01	2015	Chevy	Tahoe	1GNLC2KC0FR617403	96,600	Lights, Siren, Cage
19-112	2019	Ford	Interceptor	1FM5K8AR7KGB54531	89,200	Lights, Siren, Cage
21-139	2021	Ford	Interceptor	1FM5K8ABXLGC93105	92,300	Lights, Siren, Cage
21-140	2021	Ford	Interceptor	1FM5K8AB7MGA87452	69,963	Lights, Siren, Cage

This request is to authorize the City Manager to execute an Interlocal Agreement with Montgomery Independent School District for the sale and transfer of title for the four vehicles identified in the table, for a total sale amount of \$12,000.

Origination: Police Department

Recommendation:

Staff recommends approving the sale of these vehicles to Montgomery Independent School District.

Party(ies) responsible for placing this item on agenda: Jeffrey Bert, Chief of Police

FUNDING (IF APPLICABLE)

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

Yes: _____ No: X

If yes, specify Account Number: # _____

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

Signed: Brandon Patin 03/07/2025 **Approved by:** _____
Staff Member Date City Manager Date

**INTERLOCAL AGREEMENT FOR PURCHASE OF VEHICLES
BETWEEN
MONTGOMERY INDEPENDENT SCHOOL DISTRICT
AND
THE CITY OF TOMBALL**

THIS AGREEMENT is hereby entered into on this the 5th day of March, 2025, by and between THE CITY OF TOMBALL (hereinafter called "CITY"), a municipal corporation, and THE MONTGOMERY INDEPENDENT SCHOOL DISTRICT (hereinafter called "MISD"), a Texas political subdivision, acting by and through its duly authorized officers, hereinafter called the "board." Pursuant to its actions of a School Board meeting held on Feb. 18, 2025.

1. PREAMBLE:

WHEREAS, MISD desires to acquire certain goods presently owned by the CITY consisting of two (2) 2021 Ford Interceptors ("Interceptor"), one (1) 2019 Ford Interceptor ("Interceptor"), one (1) 2015 Chevy Tahoe ("Tahoe") and accessories for use by ESD 200; and,

WHEREAS, the CITY desires to sell the three Interceptors and one Tahoe; and,

WHEREAS, the CITY and MISD desire to maximize their financial and tangible resources; and,

WHEREAS, Chapter 791 of the Texas Government Code authorizes political subdivisions to enter into Interlocal Agreements and Section 791.025 specifically provides for the purchase of goods by one political subdivision from another; and,

WHEREAS, the CITY and MISD are each political subdivisions of the State of Texas; and

NOW, THEREFORE, in consideration of the covenants, conditions and provisions set forth herein, the parties hereto agree as follows:

2. **MUTUAL OBLIGATIONS:** CITY agrees to sell and MISD agrees to purchase the goods listed below at the corresponding price identified below:

Vehicle			
Unit Number	VIN Number	Make & Model	Price
Shop #15-01	1GNLC2KC0FR617403	2015 Chevy Tahoe	\$3,000.00
Shop #19-112	1FM5K8AR7KGB54531	2019 Ford Interceptor	\$3,000.00
Shop #21-139	1FM5K8ABXLGC93105	2019 Ford Interceptor	\$3,000.00
Shop #21-140	1FM5K8AB7MGA87452	2019 Ford Interceptor	\$3,000.00

TOTAL PURCHASE PRICE \$12,000.00

3. **FORM OF PAYMENT:** MISD shall pay the CITY the total purchase price of Twelve Thousand Dollars (\$12,000) in the form of a check made payable to the City of Tomball. Payment made by MISD pursuant to this Agreement must be made from current revenues available to MISD in accordance with Texas Government Code §791.011(d)(3).
4. **DELIVERY OF GOODS:** The goods subject of this sale shall be released into MISD's possession upon CITY's receipt of the payment from MISD specified in paragraph 2, above, and the CITY receiving the replacement vehicles.
5. **ASSIGNMENT:** This agreement shall not be assigned by either party unless written authorization is first obtained from other party.
6. **ENTIRE AGREEMENT:** This agreement contains the final and entire agreement between the parties hereto and contains all of the terms and conditions agreed upon to date, and no other agreements of prior date, oral or otherwise, regarding the subject matter of this agreement shall be deemed to exist or to bind the parties hereto. It is the intent of the parties that neither party shall be bound by any term, condition or representation not herein written.
7. **AMENDMENT:** No amendment, modification or alteration of the terms of this agreement shall be binding unless the same is in writing, dated subsequent to the date hereof and duly executed by the parties hereto and approved by the governing parties.
8. **NON-DISCRIMINATION:** Any discrimination by MISD or CITY or their agents or employees, on account of race, color, sex, age, religion, handicap, or national origin in employment practices or in the properties made the basis of this Agreement is prohibited and approved by the governing bodies.
9. **TEXAS LAW TO APPLY:** This agreement shall be construed under and in accordance with the law of the State of Texas and all obligations of the parties created hereunder are performable in Harris County, Texas.
10. **FORCE MAJEURE:** Neither party to this agreement shall be required to perform any term, condition, or covenant in this agreement so long as performance is delayed or prevented by force majeure, which shall mean acts of God, strikes, lockouts, material or labor restrictions by a governmental authority, civil riots, floods, and any other cause not reasonably within the control of either party to this agreement and which by the exercise

of due diligence such party is unable, wholly or in part, to prevent or overcome. If by reason or force majeure, either party is prevented from full performance of its obligations, under this agreement, written notice shall be provided to the other party within three (3) days.

11. CAPTIONS: The captions contained in the agreement are for the convenience of references only and in no way limit or enlarge the terms and conditions of this agreement.

12. AUTHORITY: The signers of this agreement hereby represent and warrant that they have authority to execute this agreement on behalf of each of their governing bodies.

WITNESS, the signatures of the parties, hereto, in duplicate originals of the 5th day of March, 2025

ATTEST: CITY OF TOMBALL

By: _____
David Esquivel, City Manager

MONTGOMERY INDEPENDENT SCHOOL DISTRICT

By: 
Dr. Mark Ruffin, Superintendent of Schools

Regular City Council Agenda Item Data Sheet

Meeting Date: March 17, 2025

Topic:

Approve, on First Reading, Resolution No. 2025-10-TEDC, a Resolution of the City Council of the City of Tomball, Texas, authorizing and approving the Tomball Economic Development Corporation's Project to Expend Funds in accordance with an Economic Development Performance Agreement by and between the Corporation and 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 an amount not to exceed \$91,835.00.

Background:

On March 4, 2025, the Tomball Economic Development Corporation (TEDC) Board of Directors unanimously approved, as a Project of the Corporation, a performance agreement with Longhorn Realty Investments, LLC for assistance with infrastructure costs related to the expansion of a medical office facility to be located at 308 Holderrieth Blvd., Tomball, Texas 77375.

Targeted infrastructure projects that will promote or develop new or expanded business enterprises are authorized expenditures under the Development Corporation Act.

The Tomball City Council has final approval authority over all programs and expenditures of the TEDC. Final approval of this project requires the adoption of Resolution No. 2025-10-TEDC after two separate readings.

Origination: Tomball Economic Development Corporation Board of Directors

Recommendation: Approval of Resolution No. 2025-10-TEDC on First Reading

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

TOMBALL

ECONOMIC DEVELOPMENT CORP.

TO: Honorable Mayor and City Council

FROM: Kelly Violette
Executive Director

MEETING DATE: March 17, 2025

SUBJECT: Longhorn Realty Investments, LLC

ITEM TYPE: Action

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.

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.

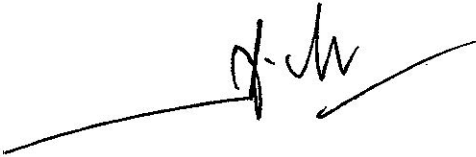
The Renovation and Addition project will be a modern, architecturally pleasing addition to Tomball office buildings. We will also provide pleasant landscaping to create a welcoming space for patients and employees. Conveniently located within walking distance from HCA Tomball hospital and FM 2920 and 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 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
Jobs Total	73.0	56.7	129.7
SALARIES			
Direct	\$38,433,521	\$31,352,180	\$69,785,700
Spin-off	\$10,686,796	\$8,717,764	\$19,404,560
Salaries Total	\$49,120,317	\$40,069,943	\$89,190,260

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
	\$748,227	\$1,165,483	\$1,913,710

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

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	1.5
New residents in City of Tomball	2.5	1.5	4.0
New residential properties constructed in City of Tomball	0.1	0.1	0.2
New students to attend local school district	0.5	0.3	0.8

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

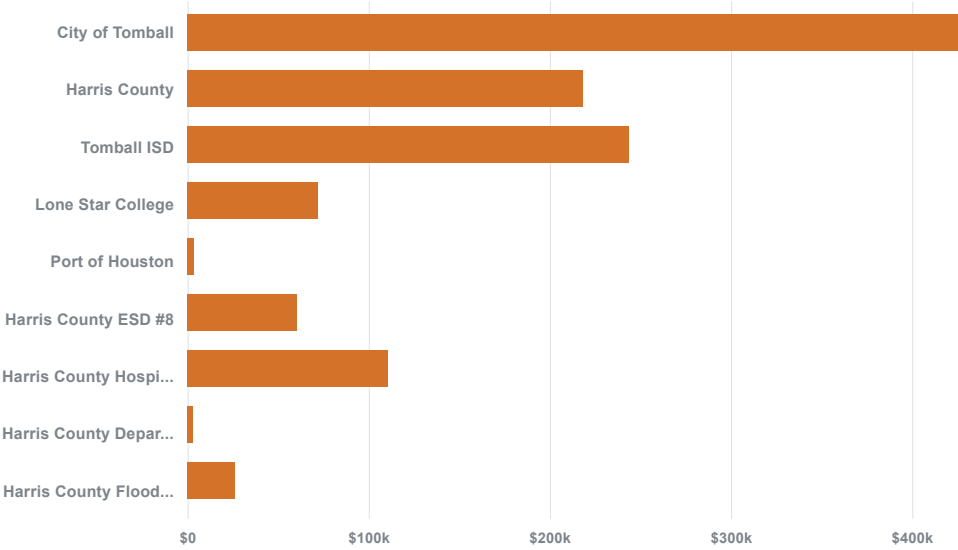
Fiscal Impact Overview

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
Total	\$2,070,642	(\$905,159)	\$1,165,483	\$937,161

*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.

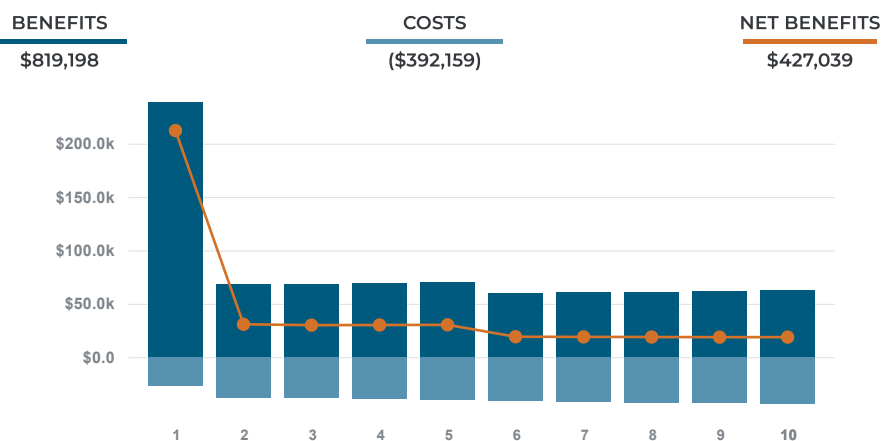
VALUE OF PUBLIC SUPPORT UNDER CONSIDERATION		
	NON-TAX INCENTIVE	TOTAL
City of Tomball	\$91,835	\$91,835
Harris County	\$0	\$0
Tomball ISD	\$0	\$0
Lone Star College	\$0	\$0
Port of Houston	\$0	\$0
Harris County ESD #8	\$0	\$0
Harris County Hospital District	\$0	\$0
Harris County Department of Education	\$0	\$0
Harris County Flood Control	\$0	\$0
Total	\$91,835	\$91,835

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.

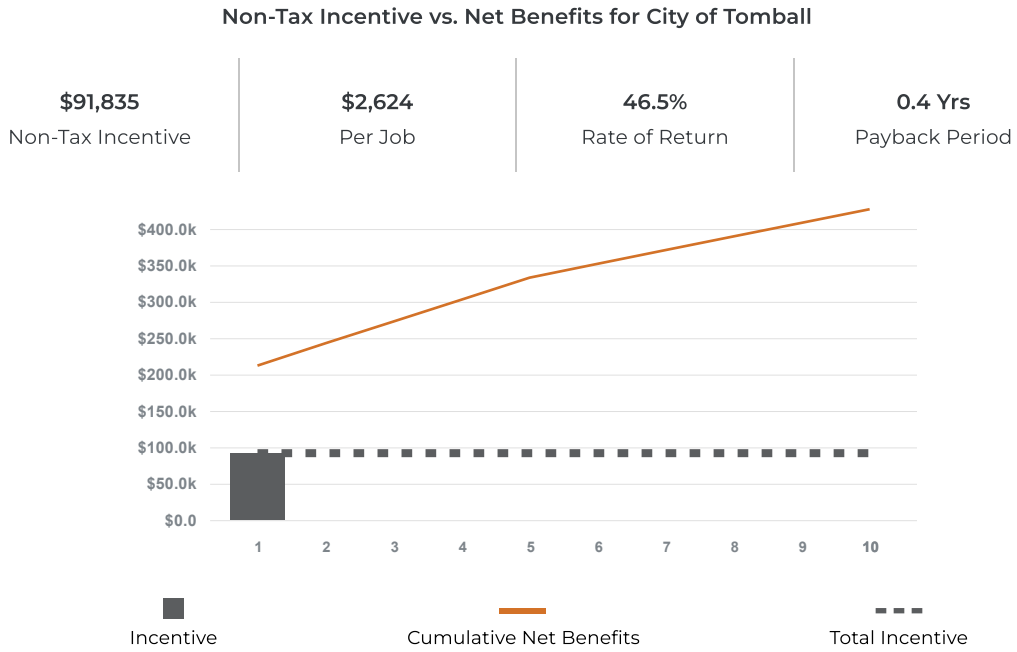
NET BENEFITS OVER 10 YEARS: CITY OF TOMBALL			
BENEFITS	PROJECT	HOUSEHOLDS	TOTAL
Sales Taxes	\$76,243	\$10,017	\$86,261
Real Property Taxes	\$154,165	\$0	\$154,165
FF&E Property Taxes	\$25,123	\$0	\$25,123
Inventory Property Taxes	\$1,606	\$0	\$1,606
New Residential Property Taxes	\$0	\$1,680	\$1,680
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
Benefits Subtotal	\$770,020	\$49,178	\$819,198
COSTS	PROJECT	HOUSEHOLDS	TOTAL
Cost of Government Services	(\$110,852)	(\$11,862)	(\$122,714)
Cost of Utility Services	(\$243,353)	(\$26,092)	(\$269,445)
Costs Subtotal	(\$354,205)	(\$37,954)	(\$392,159)
Net Benefits	\$415,815	\$11,224	\$427,039

Annual Fiscal Net Benefits for City of Tomball



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.

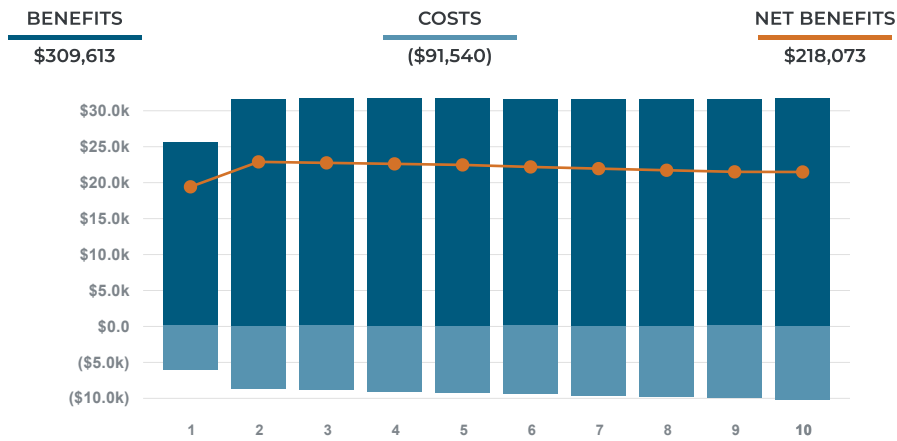


Harris County Fiscal Impact

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
Benefits Subtotal	\$258,709	\$50,903	\$309,613
COSTS	PROJECT	HOUSEHOLDS	TOTAL
Cost of Government Services	(\$39,937)	(\$51,603)	(\$91,540)
Costs Subtotal	(\$39,937)	(\$51,603)	(\$91,540)
Net Benefits	\$218,773	(\$699)	\$218,073

Annual Fiscal Net Benefits for Harris County

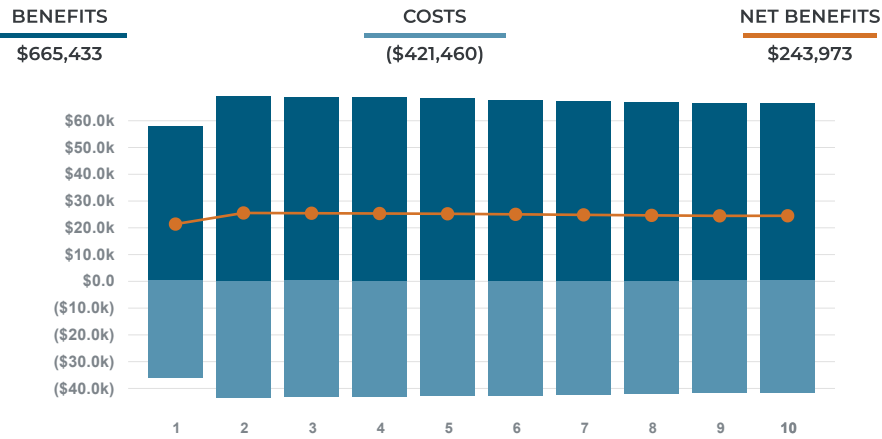


Tomball ISD Fiscal Impact

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
Benefits Subtotal	\$656,921	\$8,512	\$665,433
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)
Costs Subtotal	(\$413,860)	(\$7,600)	(\$421,460)
Net Benefits	\$243,061	\$912	\$243,973

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
Benefits Subtotal	\$66,358	\$5,796	\$72,154
COSTS	PROJECT	HOUSEHOLDS	TOTAL
None Estimated	\$0	\$0	\$0
Costs Subtotal	\$0	\$0	\$0
Net Benefits	\$66,358	\$5,796	\$72,154

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
Benefits Subtotal	\$3,540	\$309	\$3,849
COSTS	PROJECT	HOUSEHOLDS	TOTAL
None Estimated	\$0	\$0	\$0
Costs Subtotal	\$0	\$0	\$0
Net Benefits	\$3,540	\$309	\$3,849

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
Benefits Subtotal	\$55,392	\$4,838	\$60,231
COSTS	PROJECT	HOUSEHOLDS	TOTAL
None Estimated	\$0	\$0	\$0
Costs Subtotal	\$0	\$0	\$0
Net Benefits	\$55,392	\$4,838	\$60,231

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
Benefits Subtotal	\$100,820	\$10,059	\$110,879
COSTS	PROJECT	HOUSEHOLDS	TOTAL
None Estimated	\$0	\$0	\$0
Costs Subtotal	\$0	\$0	\$0
Net Benefits	\$100,820	\$10,059	\$110,879

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
Benefits Subtotal	\$2,960	\$295	\$3,255
COSTS	PROJECT	HOUSEHOLDS	TOTAL
None Estimated	\$0	\$0	\$0
Costs Subtotal	\$0	\$0	\$0
Net Benefits	\$2,960	\$295	\$3,255

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
Benefits Subtotal	\$23,275	\$2,755	\$26,030
COSTS	PROJECT	HOUSEHOLDS	TOTAL
None Estimated	\$0	\$0	\$0
Costs Subtotal	\$0	\$0	\$0
Net Benefits	\$23,275	\$2,755	\$26,030

Annual Fiscal Net Benefits for Harris County Flood Control



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



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 (½%) 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.

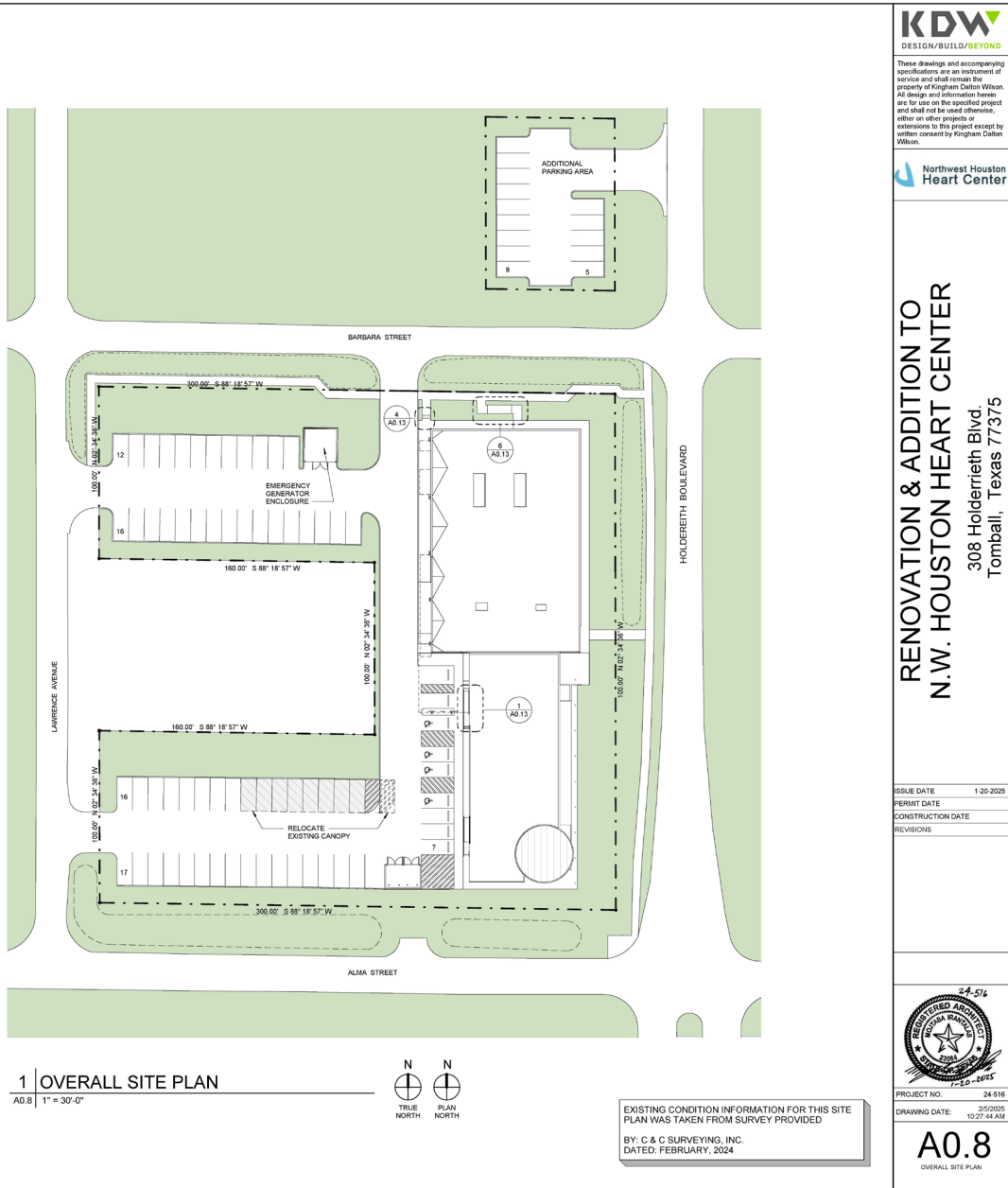


Exhibit C

Description of Infrastructure Improvements

Targeted Infrastructure		
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

RESOLUTION NO. 2025-10-TEDC

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TOMBALL, TEXAS, AUTHORIZING AND APPROVING THE TOMBALL ECONOMIC DEVELOPMENT CORPORATION’S PROJECT TO EXPEND FUNDS IN ACCORDANCE WITH AN ECONOMIC DEVELOPMENT PERFORMANCE AGREEMENT BY AND BETWEEN THE CORPORATION AND LONGHORN REALTY INVESTMENTS, LLC, TO PROMOTE AND DEVELOP NEW OR EXPANDED BUSINESS ENTERPRISES; CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT; AND PROVIDING FOR SEVERABILITY.

* * * * *

WHEREAS, the Tomball Economic Development Corporation (the “TEDC”), created pursuant to the Development Corporation Act, now Chapter 501 of the Texas Local Government Code, as amended (the “Act”), desires to adopt projects and provide incentives for economic development within the City; and

WHEREAS, the Board of Directors of the TEDC had adopted as a specific project the expenditure of the estimated amount of Ninety One Thousand Eight Hundred and Thirty Five Dollars (\$91,835.00) found by the Board to be required or suitable to promote a new business development by Longhorn Realty Investments, LLC; and

WHEREAS, pursuant to the Act, the TEDC may not undertake such project without the approval of Tomball City Council; and

WHEREAS, City Council finds and determines that such project promotes new or expanded business enterprises and is in the best interests of the citizenry; now, therefore,

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

Section 1. The facts and matters set forth in the preamble of this Resolution are hereby found to be true and correct.

Section 2. The City Council hereby authorizes and approves the adoption, by the Board of Directors of the Tomball Economic Development Corporation, as a specific project for the economic development of the City, an expenditure of the estimated amount of Ninety One Thousand Eight Hundred and Thirty Five Dollars (\$91,835.00) to Longhorn Realty Investments, LLC, in accordance with an economic development agreement by and between the TEDC and Longhorn Realty Investments, LLC, to promote and develop a new or expanded business enterprises, to be located at 308 Holderrieth Blvd., Tomball, Texas 77375.

Section 3. In the event any clause, phrase, provision, sentence, or part of this Resolution or the application of the same to any person or circumstance shall for any reason be adjudged

invalid or held unconstitutional by a court of competent jurisdiction, it shall not affect, impair, or invalidate this Resolution as a whole or any part or provision hereof other than the part declared to be invalid or unconstitutional; and the City Council of the City of Tomball, Texas, declares that it would have passed each and every part of the same notwithstanding the omission of any such part thus declared to be invalid or unconstitutional, whether there be one or more parts.

PASSED AND APPROVED on first reading this ____ day of _____,
202__.

PASSED, APPROVED, AND RESOLVED on second and final reading this ____ day of
_____, 202__.

Lori Klein Quinn, Mayor

ATTEST:

City Secretary

Regular City Council Agenda Item Data Sheet

Meeting Date: March 17, 2025

Topic:

Approve, on First Reading, Resolution No. 2025-11-TEDC, a Resolution of the City Council of the City of Tomball, Texas, authorizing and approving the Tomball Economic Development Corporation's Project to Expend Funds in accordance with an Economic Development Performance Agreement by and between the Corporation and 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 an amount not to exceed \$83,615.00.

Background:

On March 4, 2025, the Tomball Economic Development Corporation (TEDC) Board of Directors unanimously approved, as a Project of the Corporation, a performance agreement with Theis Lane and South Cherry Street, LLC for assistance with infrastructure costs 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.

Targeted infrastructure projects that will promote or develop new or expanded business enterprises are authorized expenditures under the Development Corporation Act.

The Tomball City Council has final approval authority over all programs and expenditures of the TEDC. Final approval of this project requires the adoption of Resolution No. 2025-11-TEDC after two separate readings.

Origination: Tomball Economic Development Corporation Board of Directors

Recommendation: Approval of Resolution No. 2025-11-TEDC on First Reading

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

TOMBALL

ECONOMIC DEVELOPMENT CORP.

TO: Honorable Mayor and City Council

FROM: Kelly Violette
Executive Director

MEETING DATE: March 17, 2025

SUBJECT: Theis and Cherry Street, LLC

ITEM TYPE: Action

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.



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
TOTAL DEVELOPMENT COSTS	\$5,600,118

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. 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 style with a large, looped "M" and "L".

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

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

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

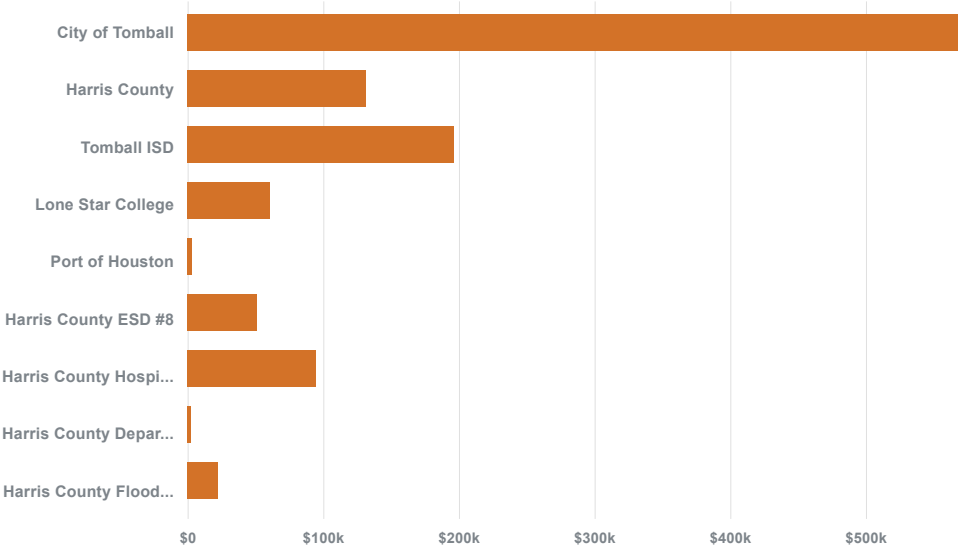
Fiscal Impact Overview

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
Total	\$2,809,654	(\$1,676,469)	\$1,133,185	\$876,491

*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.

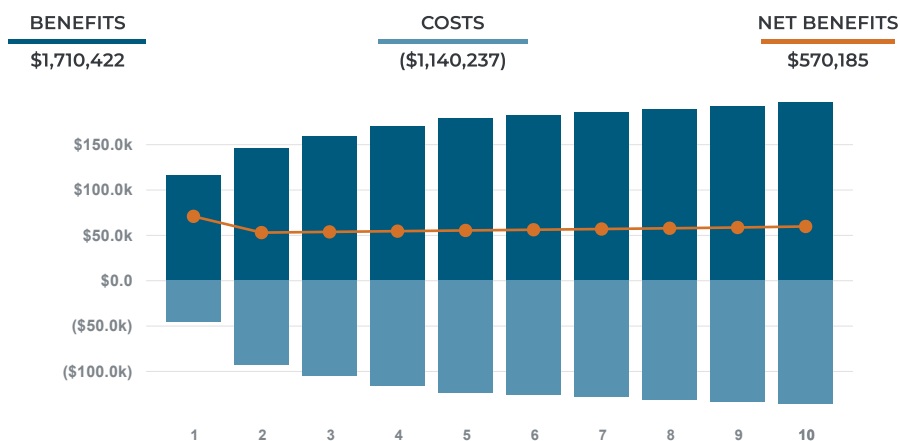
VALUE OF PUBLIC SUPPORT UNDER CONSIDERATION		
	NON-TAX INCENTIVE	TOTAL
City of Tomball	\$83,615	\$83,615
Harris County	\$0	\$0
Tomball ISD	\$0	\$0
Lone Star College	\$0	\$0
Port of Houston	\$0	\$0
Harris County ESD #8	\$0	\$0
Harris County Hospital District	\$0	\$0
Harris County Department of Education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

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.

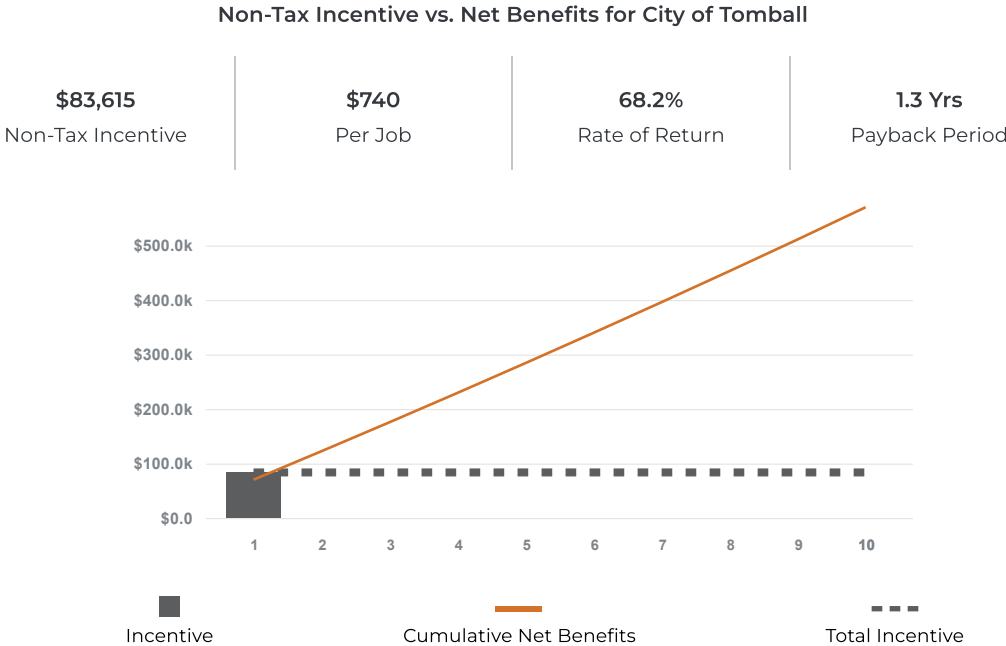
NET BENEFITS OVER 10 YEARS: CITY OF TOMBALL			
BENEFITS	PROJECT	HOUSEHOLDS	TOTAL
Sales Taxes	\$418,552	\$19,159	\$437,712
Real Property Taxes	\$129,274	\$0	\$129,274
FF&E Property Taxes	\$15,605	\$0	\$15,605
Inventory Property Taxes	\$0	\$0	\$0
New Residential Property Taxes	\$0	\$3,129	\$3,129
Hotel 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
Benefits Subtotal	\$1,618,328	\$92,094	\$1,710,422
COSTS	PROJECT	HOUSEHOLDS	TOTAL
Cost of Government Services	(\$334,727)	(\$22,092)	(\$356,819)
Cost of Utility Services	(\$734,822)	(\$48,596)	(\$783,418)
Costs Subtotal	(\$1,069,549)	(\$70,688)	(\$1,140,237)
Net Benefits	\$548,779	\$21,406	\$570,185

Annual Fiscal Net Benefits for City of Tomball



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.

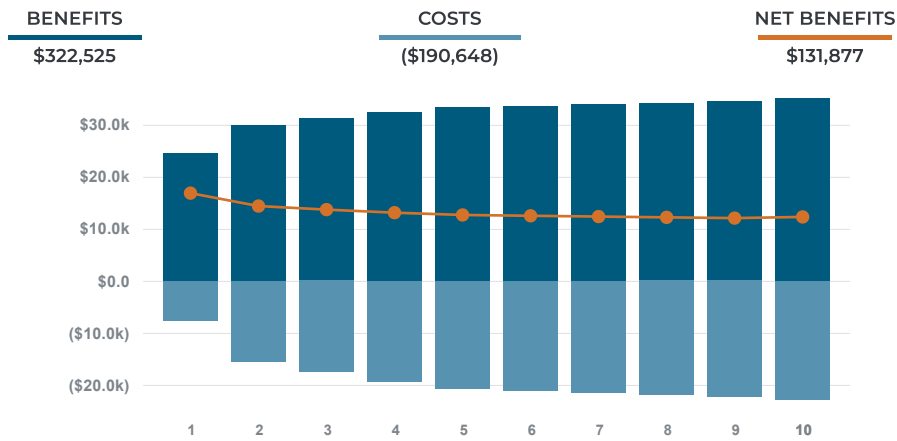


Harris County Fiscal Impact

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
Benefits Subtotal	\$253,418	\$69,106	\$322,525
COSTS	PROJECT	HOUSEHOLDS	TOTAL
Cost of Government Services	(\$120,592)	(\$70,056)	(\$190,648)
Costs Subtotal	(\$120,592)	(\$70,056)	(\$190,648)
Net Benefits	\$132,826	(\$950)	\$131,877

Annual Fiscal Net Benefits for Harris County

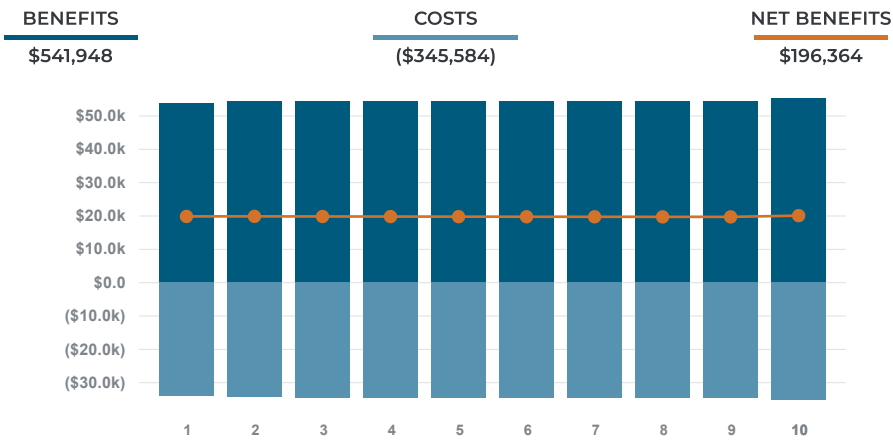


Tomball ISD Fiscal Impact

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
Benefits Subtotal	\$526,130	\$15,818	\$541,948
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)
Costs Subtotal	(\$331,462)	(\$14,122)	(\$345,584)
Net Benefits	\$194,668	\$1,696	\$196,364

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
Benefits Subtotal	\$53,146	\$7,869	\$61,015
COSTS	PROJECT	HOUSEHOLDS	TOTAL
None Estimated	\$0	\$0	\$0
Costs Subtotal	\$0	\$0	\$0
Net Benefits	\$53,146	\$7,869	\$61,015

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
Benefits Subtotal	\$2,835	\$420	\$3,255
COSTS	PROJECT	HOUSEHOLDS	TOTAL
None Estimated	\$0	\$0	\$0
Costs Subtotal	\$0	\$0	\$0
Net Benefits	\$2,835	\$420	\$3,255

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
Benefits Subtotal	\$44,364	\$6,568	\$50,932
COSTS	PROJECT	HOUSEHOLDS	TOTAL
None Estimated	\$0	\$0	\$0
Costs Subtotal	\$0	\$0	\$0
Net Benefits	\$44,364	\$6,568	\$50,932

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
Benefits Subtotal	\$80,747	\$13,656	\$94,403
COSTS	PROJECT	HOUSEHOLDS	TOTAL
None Estimated	\$0	\$0	\$0
Costs Subtotal	\$0	\$0	\$0
Net Benefits	\$80,747	\$13,656	\$94,403

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
Benefits Subtotal	\$2,370	\$401	\$2,771
COSTS	PROJECT	HOUSEHOLDS	TOTAL
None Estimated	\$0	\$0	\$0
Costs Subtotal	\$0	\$0	\$0
Net Benefits	\$2,370	\$401	\$2,771

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
Benefits Subtotal	\$18,641	\$3,741	\$22,382
COSTS	PROJECT	HOUSEHOLDS	TOTAL
None Estimated	\$0	\$0	\$0
Costs Subtotal	\$0	\$0	\$0
Net Benefits	\$18,641	\$3,741	\$22,382

Annual Fiscal Net Benefits for Harris County Flood Control



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



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: Theis 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.

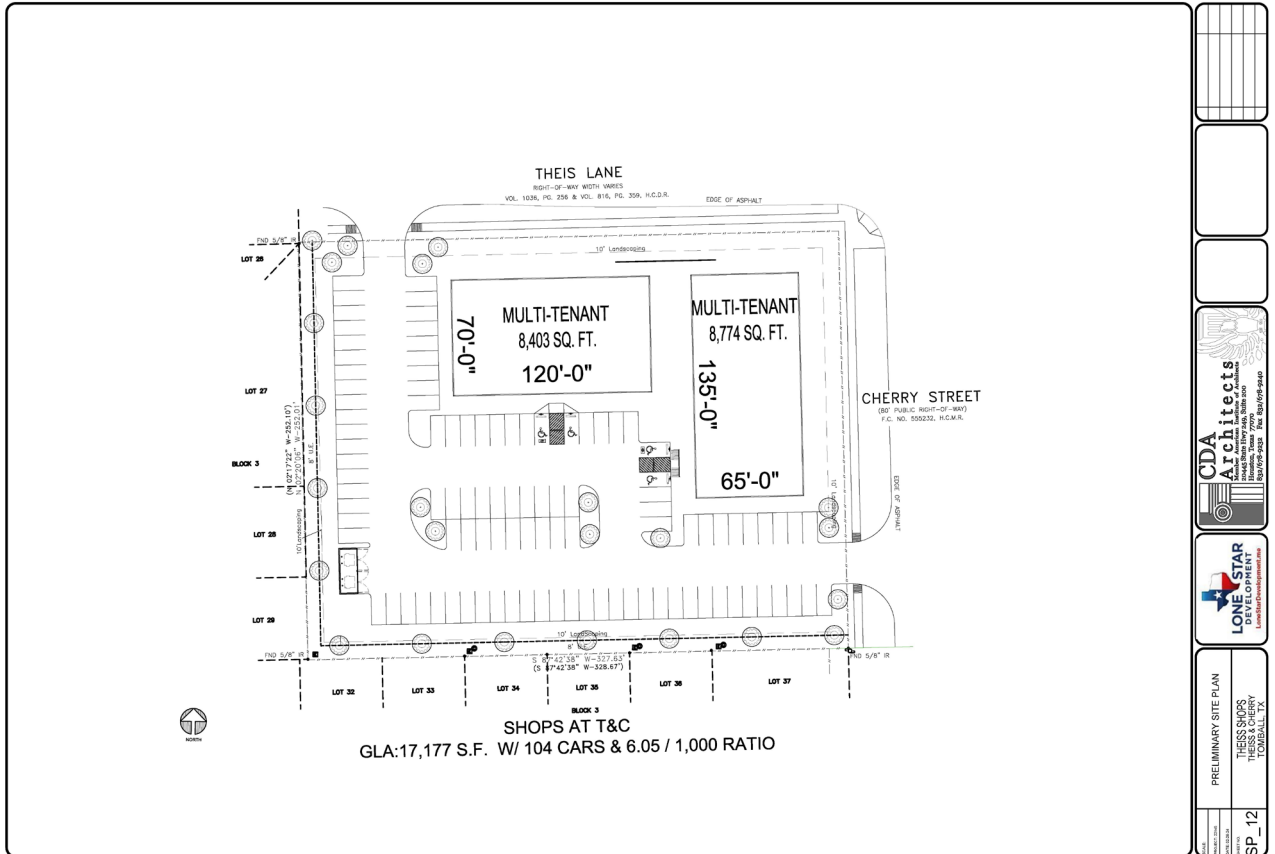


Exhibit B

Description of Improvements Cont'

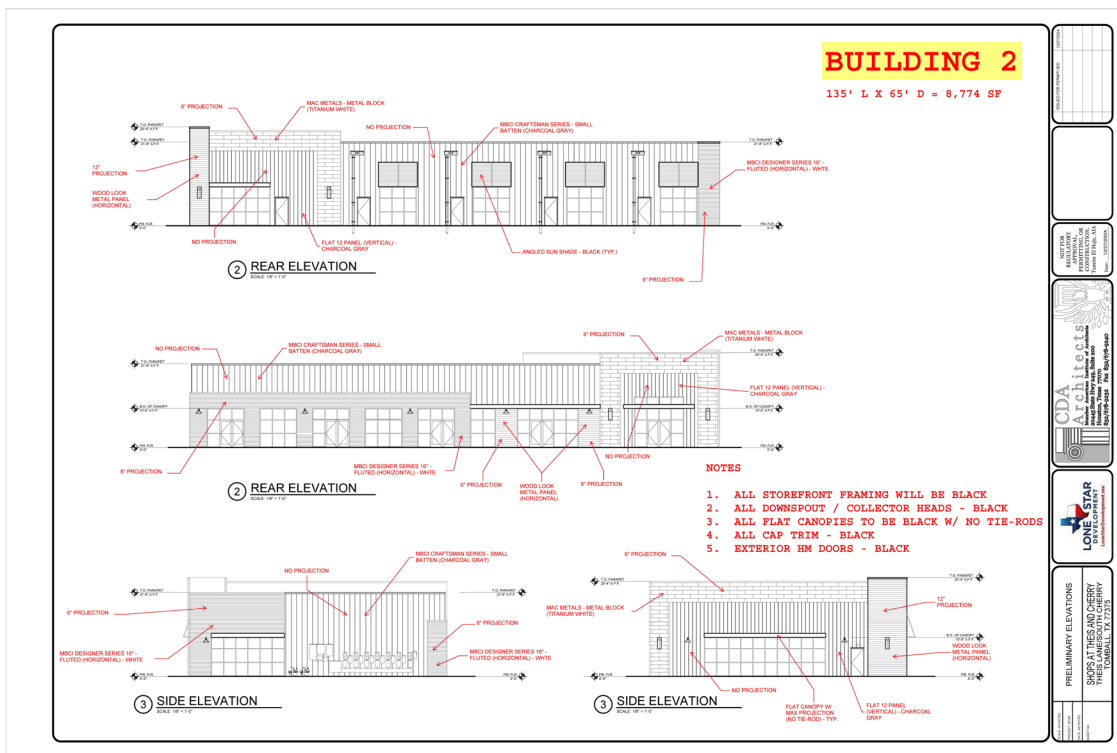
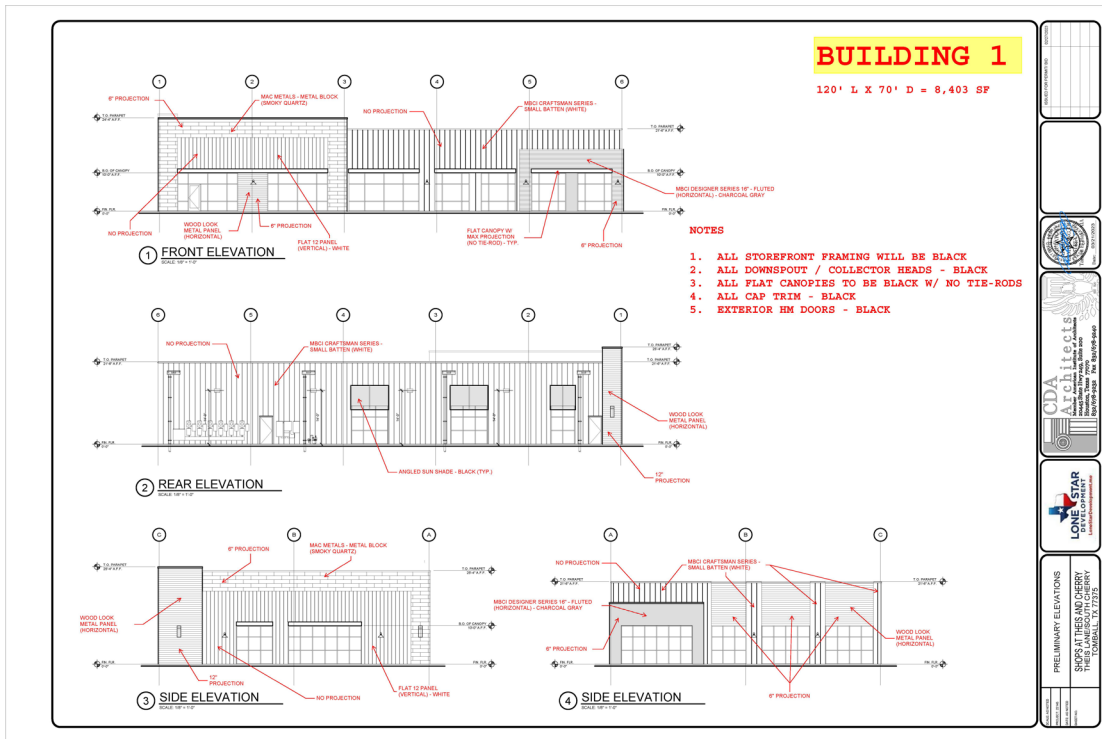


Exhibit C

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

RESOLUTION NO. 2025-11-TEDC

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TOMBALL, TEXAS, AUTHORIZING AND APPROVING THE TOMBALL ECONOMIC DEVELOPMENT CORPORATION’S PROJECT TO EXPEND FUNDS IN ACCORDANCE WITH AN ECONOMIC DEVELOPMENT PERFORMANCE AGREEMENT BY AND BETWEEN THE CORPORATION AND THEIS LANE AND SOUTH CHERRY STREET, LLC, TO PROMOTE AND DEVELOP NEW OR EXPANDED BUSINESS ENTERPRISES; CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT; AND PROVIDING FOR SEVERABILITY.

* * * * *

WHEREAS, the Tomball Economic Development Corporation (the “TEDC”), created pursuant to the Development Corporation Act, now Chapter 501 of the Texas Local Government Code, as amended (the “Act”), desires to adopt projects and provide incentives for economic development within the City; and

WHEREAS, the Board of Directors of the TEDC had adopted as a specific project the expenditure of the estimated amount of Eighty Three Thousand Six Hundred and Fifteen Dollars (\$83,615.00) found by the Board to be required or suitable to promote a new business development by Theis Lane and South Cherry Street, LLC; and

WHEREAS, pursuant to the Act, the TEDC may not undertake such project without the approval of Tomball City Council; and

WHEREAS, City Council finds and determines that such project promotes new or expanded business enterprises and is in the best interests of the citizenry; now, therefore,

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

Section 1. The facts and matters set forth in the preamble of this Resolution are hereby found to be true and correct.

Section 2. The City Council hereby authorizes and approves the adoption, by the Board of Directors of the Tomball Economic Development Corporation, as a specific project for the economic development of the City, an expenditure of the estimated amount of Eighty Three Thousand Six Hundred and Fifteen Dollars (\$83,615.00) to Theis Lane and South Cherry Street, LLC, in accordance with an economic development agreement by and between the TEDC and Theis Lane and South Cherry Street, LLC, to promote and develop a new or expanded business enterprises, to be located at the corner of Theis Lane and South Cherry Street, Tomball, Texas 77375.

Section 3. In the event any clause, phrase, provision, sentence, or part of this Resolution

or the application of the same to any person or circumstance shall for any reason be adjudged invalid or held unconstitutional by a court of competent jurisdiction, it shall not affect, impair, or invalidate this Resolution as a whole or any part or provision hereof other than the part declared to be invalid or unconstitutional; and the City Council of the City of Tomball, Texas, declares that it would have passed each and every part of the same notwithstanding the omission of any such part thus declared to be invalid or unconstitutional, whether there be one or more parts.

PASSED AND APPROVED on first reading this ____ day of _____,
202__.

PASSED, APPROVED, AND RESOLVED on second and final reading this ____ day of
_____, 202__.

Lori Klein Quinn, Mayor

ATTEST:

City Secretary

Regular City Council Agenda Item Data Sheet

Meeting Date: March 17, 2025

Topic:

Approve, on First Reading, Resolution No. 2025-12-TEDC, a Resolution of the City Council of the City of Tomball, Texas, authorizing and approving the Tomball Economic Development Corporation’s Project to Expend Funds in accordance with an Economic Development Performance Agreement by and between the Corporation and Innersculpt Studio, LLC, 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 an amount not to exceed \$10,000.00.

Background:

On March 4, 2025, the Tomball Economic Development Corporation (TEDC) Board of Directors unanimously approved, as a Project of the Corporation, an economic development performance agreement with Innersculpt Studio, LLC for rental assistance for new or expanded business enterprise. The Tomball City Council has final approval authority over all programs and expenditures of the Corporation.

Origination: Tomball Economic Development Corporation Board of Directors

Recommendation: Approval of Resolution No. 2025-12-TEDC

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



TO: Honorable Mayor and City Council

FROM: Kelly Violette
Executive Director

MEETING DATE: March 17, 2025

SUBJECT: Innersculpt Studio, LLC

ITEM TYPE: Action

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.

Innersculpt Studio

1417 Graham Dr. Ste 600, Tomball, TX 77375

Innersculptstudio.com

February 26th 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

TOMBALL

ECONOMIC DEVELOPMENT CORP.

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 / brendan@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 _____

Business Start/Opening Date May 2025

Days and Hours of Operation

Days Open: Mon-Sun

Hours Open: 5am-8pm

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)	\$ <u>10,000.00</u>
Landlord Space Improvement (finish)	\$ <u>60,000.00</u>
Equipment and Display	\$ <u>25,000.00</u>
Product Stock (for Opening)	\$ <u>5,000.00</u>
Marketing (First Year)	\$ <u>5,000.00</u>

Sources of Funding for Move/Expansion

Funds invested by owner	\$ <u>45,000.00</u>
Funds from other sources*	\$ <u>10,000.00</u>
Total estimated cost to move/expand	\$ <u>55,000.00</u>

* 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.



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 YES Please explain**

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).

Table of Contents

<u>No.</u>	<u>Paragraph Description</u>	<u>Pg.</u>	<u>ADDENDA & EXHIBITS (check all that apply)</u>
1.	Parties	2	<input type="checkbox"/> Exhibit _____
2.	Leased Premises	2	<input type="checkbox"/> Exhibit _____
3.	Term	2	<input type="checkbox"/> Exhibit _____
4.	Rent and Expenses.....	3	<input type="checkbox"/> Commercial Property Condition Statement (TXR-1408)
5.	Security Deposit.....	5	<input type="checkbox"/> Commercial Lease Addendum for Broker's Fee (TXR-2102)
6.	Taxes.....	6	<input type="checkbox"/> Commercial Lease Addendum for Option to Extend Term (TXR-2104)
7.	Utilities	6	<input type="checkbox"/> Commercial Lease Addendum for Tenant's Right of First Refusal (TXR-2105)
8.	Insurance.....	7	<input type="checkbox"/> Commercial Lease Addendum for Percentage Rent (TXR-2106)
9.	Use and Hours.....	7	<input type="checkbox"/> Commercial Lease Addendum for Parking (TXR-2107)
10.	Legal Compliance	7	<input checked="" type="checkbox"/> Commercial Landlord's Rules and Regulations (TXR-2108)
11.	Signs.....	8	<input checked="" type="checkbox"/> Commercial Lease Guaranty (TXR-2109)
12.	Access by Landlord.....	8	<input type="checkbox"/> Commercial Lease Addendum for Tenant's Option for Additional Space (TXR-2110)
13.	Move-In Condition.....	9	<input checked="" type="checkbox"/> Commercial Lease Construction Addendum (TXR-2111) or (TXR-2112)
14.	Move-Out Condition.....	9	<input type="checkbox"/> Commercial Lease Addendum for Contingencies (TXR-2119)
15.	Maintenance and Repairs	9	<input checked="" type="checkbox"/> Information About Brokerage Services (TXR-2501)
16.	Alterations.....	11	<input type="checkbox"/> _____
17.	Liens.....	11	<input type="checkbox"/> _____
18.	Liability.....	11	<input type="checkbox"/> _____
19.	Indemnity	11	<input type="checkbox"/> _____
20.	Default	11	<input type="checkbox"/> _____
21.	Abandonment, Interruption of Utilities, Removal of Property and Lockout.....	12	
22.	Holdover	12	
23.	Landlord's Lien and Security Interest	12	
24.	Assignment and Subletting	12	
25.	Relocation.....	13	
26.	Subordination.....	13	
27.	Estoppel Certificates and Financial Info. ...	13	
28.	Casualty Loss	13	
29.	Condemnation	14	
30.	Attorney's Fees.....	14	
31.	Representations.....	14	
32.	Brokers	14	
33.	Addenda	15	
34.	Notices.....	15	
35.	Special Provisions.....	16	
36.	Agreement of Parties	16	
37.	Effective Date	16	
38.	License Holder Disclosure	17	

(TXR-2101) 07-08-22 Initialed for Identification by Landlord: and Tenant:



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

(TXR-2101) 07-08-22 Initialed for Identification by Landlord: and Tenant:

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.

(TXR-2101) 07-08-22 Initialed for Identification by Landlord: and Tenant:

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

- 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.

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

(TXR-2101) 07-08-22 Initialed for Identification by Landlord: and Tenant:

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.

(TXR-2101) 07-08-22 Initialed for Identification by Landlord: and Tenant:

- 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.

(TXR-2101) 07-08-22 Initialed for Identification by Landlord: and Tenant:

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.

(TXR-2101) 07-08-22 Initialed for Identification by Landlord: and Tenant:

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

(TXR-2101) 07-08-22 Initialed for Identification by Landlord: and Tenant:

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:

(TXR-2101) 07-08-22 Initialed for Identification by Landlord: [] [] and Tenant: [] []

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

RESOLUTION NO. 2025-12-TEDC

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TOMBALL, TEXAS, AUTHORIZING AND APPROVING THE TOMBALL ECONOMIC DEVELOPMENT CORPORATION’S PROJECT TO EXPEND FUNDS IN ACCORDANCE WITH AN ECONOMIC DEVELOPMENT AGREEMENT BY AND BETWEEN THE CORPORATION AND INNERSCULPT STUDIO, LLC TO PROMOTE AND DEVELOP A NEW OR EXPANDED BUSINESS ENTERPRISE; CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT; AND PROVIDING FOR SEVERABILITY.

* * * * *

WHEREAS, the Tomball Economic Development Corporation (the “TEDC”), created pursuant to the Development Corporation Act, now Chapter 501 of the Texas Local Government Code, as amended (the “Act”), desires to adopt projects and provide incentives for economic development within the City; and

WHEREAS, the Board of Directors of the TEDC had adopted as a specific project the expenditure of the estimated amount of Ten Thousand Dollars (\$10,000.00), found by the Board to be required or suitable to promote a new business development by Innersculpt Studio, LLC; and

WHEREAS, pursuant to the Act, the TEDC may not undertake such project without the approval of Tomball City Council; and

WHEREAS, City Council finds and determines that such project promotes new or expanded business development and is in the best interests of the citizenry; now, therefore,

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

Section 1. The facts and matters set forth in the preamble of this Resolution are hereby found to be true and correct.

Section 2. The City Council hereby authorizes and approves the adoption, by the Board of Directors of the Tomball Economic Development Corporation, as a specific project for the economic development of the City, an expenditure of the estimated amount of Ten Thousand Dollars (\$10,000.00), to Innersculpt Studio, LLC, in accordance with an economic development agreement by and between the TEDC and Innersculpt Studio, LLC to promote and develop a new or expanded business enterprise, to be located at 1417 Graham Drive, Suite 600, Tomball, Texas 77375.

Section 3. In the event any clause, phrase, provision, sentence, or part of this Resolution or the application of the same to any person or circumstance shall for any reason be adjudged invalid or held unconstitutional by a court of competent jurisdiction, it shall not affect, impair, or invalidate this Resolution as a whole or any part or provision hereof other than the part declared to

be invalid or unconstitutional; and the City Council of the City of Tomball, Texas, declares that it would have passed each and every part of the same notwithstanding the omission of any such part thus declared to be invalid or unconstitutional, whether there be one or more parts.

PASSED AND APPROVED on first reading this _____ day of _____,
202__.

PASSED, APPROVED, AND RESOLVED on second and final reading this _____ day of
_____, 202__.

Lori Klein Quinn, Mayor

ATTEST:

City Secretary



TO: Honorable Mayor and City Council

FROM: Kelly Violette
Executive Director

MEETING DATE: March 17, 2025

SUBJECT: City of Tomball – Main Street Rebuild Tree Upsizing

ITEM TYPE: Action

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.



City of Tomball

*Lori Klein Quinn
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
Total Requested Amount: \$2,500,000		

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

RESOLUTION NO. 2025-13-TEDC

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TOMBALL, TEXAS, AUTHORIZING AND APPROVING THE TOMBALL ECONOMIC DEVELOPMENT CORPORATION’S PROJECT TO EXPEND FUNDS IN ACCORDANCE WITH AN ECONOMIC DEVELOPMENT AGREEMENT BY AND BETWEEN THE CORPORATION AND THE CITY OF TOMBALL, TEXAS TO MAKE DIRECT INCENTIVES TO, OR EXPENDITURES FOR, THE UPSIZING OF TREES IN CONJUNCTION WITH THE FM 2920/MAIN STREET REBUILD PROJECT.

* * * * *

WHEREAS, the Tomball Economic Development Corporation (the “TEDC”), created pursuant to the Development Corporation Act, now Chapter 501 of the Texas Local Government Code, as amended (the “Act”), desires to adopt projects and provide incentives for economic development within the City; and

WHEREAS, the Board of Directors of the TEDC had adopted as a specific project the expenditure of the estimated amount of One Million and Five Hundred Thousand Dollars (\$1,500,000.00) found by the Board to be required or suitable for the upsizing of trees in conjunction with the FM 2920/Main Street Rebuild project located in the City of Tomball, Texas; and

WHEREAS, pursuant to the Act, the TEDC may not undertake such project without the approval of Tomball City Council; and

WHEREAS, City Council finds and determines that such project is authorized by Section 505.152 and 505.154 of the Act; now, therefore,

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

Section 1. The facts and matters set forth in the preamble of this Resolution are hereby found to be true and correct.

Section 2. The City Council hereby authorizes and approves the adoption, by the Board of Directors of the Tomball Economic Development Corporation, as a specific project for the economic development of the City, an expenditure of the estimated amount of One Million and Five Hundred Thousand Dollars (\$1,500,000.00) to the City of Tomball, in accordance with an economic development agreement by and between the TEDC and The City of Tomball, to make direct incentives to, or expenditures for, the upsizing of trees in conjunction with the FM 2920/Main Street Rebuild project located in the City of Tomball, Texas.

Section 3. In the event any clause, phrase, provision, sentence, or part of this Resolution or the application of the same to any person or circumstance shall for any reason be adjudged invalid or held unconstitutional by a court of competent jurisdiction, it shall not affect, impair, or invalidate this Resolution as a whole or any part or provision hereof other than the part declared to be invalid or unconstitutional, whether there be one or more parts.

PASSED AND APPROVED on first reading this ____ day of _____, 202_.

PASSED, APPROVED, AND RESOLVED on second and final reading this ____ day of _____, 202_.

LORI KLEIN QUINN, Mayor

ATTEST:

City Secretary



TO: Honorable Mayor and City Council

FROM: Kelly Violette
Executive Director

MEETING DATE: March 17, 2025

SUBJECT: FM 2920/Main Street Rebuild Utility Relocation

ITEM TYPE: Action

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.



City of Tomball

*Lori Klein Quinn
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
Total Requested Amount: \$2,500,000		

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 separate TEDC account dedicated to the Project and shall not be commingled with any other TEDC funds;
3. The City may request the funds from the TEDC as it incurs expenses related to the design and/or construction of the Project;
4. The Funds shall only be used for the Project as provided herein;
5. The City shall keep a complete and accurate accounting of all expenditures of the Funds and make such records available to the TEDC; and
6. 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

RESOLUTION NO. 2025-14-TEDC

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TOMBALL, TEXAS, AUTHORIZING AND APPROVING THE TOMBALL ECONOMIC DEVELOPMENT CORPORATION’S PROJECT TO EXPEND FUNDS IN ACCORDANCE WITH AN ECONOMIC DEVELOPMENT AGREEMENT BY AND BETWEEN THE CORPORATION AND THE CITY OF TOMBALL, TEXAS 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.

* * * * *

WHEREAS, the Tomball Economic Development Corporation (the “TEDC”), created pursuant to the Development Corporation Act, now Chapter 501 of the Texas Local Government Code, as amended (the “Act”), desires to adopt projects and provide incentives for economic development within the City; and

WHEREAS, the Board of Directors of the TEDC had adopted as a specific project the expenditure of the estimated amount of One Million Dollars (\$1,000,000.00) found by the Board to be required or suitable for the relocation of city utilities in conjunction with the FM 2920/Main Street Rebuild project located in the City of Tomball, Texas; and

WHEREAS, pursuant to the Act, the TEDC may not undertake such project without the approval of Tomball City Council; and

WHEREAS, City Council finds and determines that such project is authorized by Section 505.152 and 505.154 of the Act; now, therefore,

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

Section 1. The facts and matters set forth in the preamble of this Resolution are hereby found to be true and correct.

Section 2. The City Council hereby authorizes and approves the adoption, by the Board of Directors of the Tomball Economic Development Corporation, as a specific project for the economic development of the City, an expenditure of the estimated amount of One Million Dollars (\$1,000,000.00) to the City of Tomball, in accordance with an economic development agreement by and between the TEDC and 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.

Section 3. In the event any clause, phrase, provision, sentence, or part of this Resolution or the application of the same to any person or circumstance shall for any reason be adjudged invalid or held unconstitutional by a court of competent jurisdiction, it shall not affect, impair, or invalidate this Resolution as a whole or any part or provision hereof other than the part declared to be invalid or unconstitutional, whether there be one or more parts.

PASSED AND APPROVED on first reading this ____ day of _____, 202_.

PASSED, APPROVED, AND RESOLVED on second and final reading this ____ day of _____, 202_.

LORI KLEIN QUINN, Mayor

ATTEST:

City Secretary

City Council Meeting Agenda Item Data Sheet

Meeting Date: March 17, 2025

Topic:

Approve, on First Reading, Resolution No. 2025-15-TEDC, a Resolution of the City Council of the City of Tomball, Texas, authorizing and approving the Tomball Economic Development Corporation’s Project to Expend Funds in accordance with an Economic Development Agreement by and between the Corporation and 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, as authorized under Sections 505.152 and 505.154 of the Texas Local Government Code. The estimated amount of expenditures for such Project is \$20,000,000.00.

Background:

All expenditures of the Tomball Economic Development Corporation (TEDC) sales tax revenue must first be approved as a "Project". At its meeting on March 4, 2025 the TEDC Board of Directors did take formal action to approve, as a Project of the TEDC, an agreement with the City of Tomball, for improvements to the South Wastewater Treatment Plant Expansion project located in the City of Tomball, Texas, as authorized under Sections 505.152 and 505.154 of the Texas Local Government Code. The Tomball City Council has final approval authority over all projects and agreements of the TEDC.

Origination: David Esquivel, City Manager, City of Tomball

Recommendation:

Approval of the proposed Economic Development 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 Kelly Violette Approved by _____
Executive Director-TEDC Date City Manager Date



TO: Honorable Mayor and City Council

FROM: Kelly Violette
Executive Director

MEETING DATE: March 17, 2025

SUBJECT: City of Tomball – Southside Sewer Plant Expansion (2025)

ITEM TYPE: Action

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.



City of Tomball

Lori Klein Quinn
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
Total Bond Issuances:	\$119,812,154.26

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,

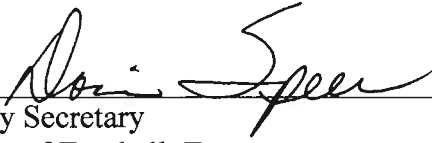
BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF TOMBALL, TEXAS:

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 18th day of February, 2013.



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 18th 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]

Exhibit A

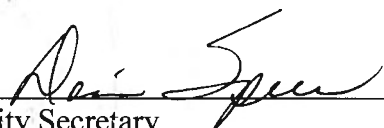
EXECUTED in multiple counterparts as of the date first written above.

CITY OF TOMBALL, TEXAS

By: 

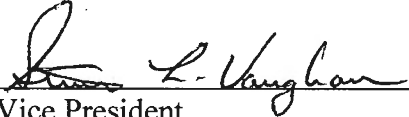
Mayor

ATTEST:

By: 

City Secretary

TOMBALL ECONOMIC
DEVELOPMENT CORPORATION

By: 

Vice President

ATTEST:

By: 

Secretary

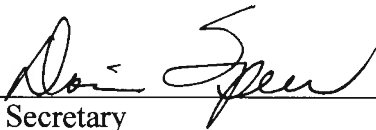
Exhibit A

SCHEDULE I

DEBT SERVICE SCHEDULE FOR THE CERTIFICATES

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 18th day of February, 2013.

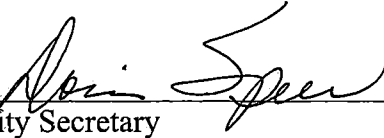


City Secretary
City of Tomball, Texas


[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]

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 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
Total	\$ 4,000,000

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 21st 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

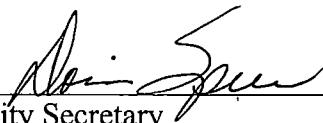
NOES: 0

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 21st day of November, 2016.



City Secretary
City of Tomball, Texas

[SEAL]

**EXHIBIT C
TEDC DEBT SERVICE PAYMENT SCHEDULE**

YEAR	PAYMENTS OBLIGATED IN RES. 2013-12 SERIES 2013 BUSINESS PARK INFRASTRUCTURE	PAYMENTS OBLIGATED IN RES. 2016-25 SERIES 2016 MEDICAL COMPLEX DRIVE SECTION 4B & PERSIMMON ST.	SOUTH WASTEWATER TREATMENT PLANT EXPANSION	ANNUAL PAYMENT
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

RESOLUTION NO. 2025-15-TEDC

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TOMBALL, TEXAS, AUTHORIZING AND APPROVING THE TOMBALL ECONOMIC DEVELOPMENT CORPORATION’S PROJECT TO EXPEND FUNDS IN ACCORDANCE WITH AN ECONOMIC DEVELOPMENT AGREEMENT BY AND BETWEEN THE CORPORATION AND THE CITY OF TOMBALL, TEXAS TO MAKE DIRECT INCENTIVES TO, OR EXPENDITURES FOR, IMPROVEMENTS TO THE SOUTH WASTEWATER TREATMENT PLANT EXPANSION.

* * * * *

WHEREAS, the Tomball Economic Development Corporation (the “TEDC”), created pursuant to the Development Corporation Act, now Chapter 501 of the Texas Local Government Code, as amended (the “Act”), desires to adopt projects and provide incentives for economic development within the City; and

WHEREAS, the Board of Directors of the TEDC had adopted as a specific project the expenditure of the estimated amount of Twenty Million Dollars (\$20,000,000.00) found by the Board to be required or suitable for improvements to the South Wastewater Treatment Plant Expansion project located in the City of Tomball, Texas; and

WHEREAS, pursuant to the Act, the TEDC may not undertake such project without the approval of Tomball City Council; and

WHEREAS, City Council finds and determines that such project is authorized by Section 505.152 and 505.154 of the Act; now, therefore,

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

Section 1. The facts and matters set forth in the preamble of this Resolution are hereby found to be true and correct.

Section 2. The City Council hereby authorizes and approves the adoption, by the Board of Directors of the Tomball Economic Development Corporation, as a specific project for the economic development of the City, an expenditure of the estimated amount of Twenty Million Dollars (\$20,000,000.00) to the City of Tomball, in accordance with an economic development agreement by and between the TEDC and The City of Tomball, to make direct incentives to, or expenditures for, improvements to the South Wastewater Treatment Plant Expansion project.

Section 3. In the event any clause, phrase, provision, sentence, or part of this Resolution or the application of the same to any person or circumstance shall for any reason be

adjudged invalid or held unconstitutional by a court of competent jurisdiction, it shall not affect, impair, or invalidate this Resolution as a whole or any part or provision hereof other than the part declared to be invalid or unconstitutional, whether there be one or more parts.

PASSED AND APPROVED on first reading this ____ day of _____, 202_.

PASSED, APPROVED, AND RESOLVED on second and final reading this ____ day of _____, 202_.

LORI KLEIN QUINN, Mayor

ATTEST:

City Secretary

Regular City Council Agenda Item Data Sheet

Meeting Date: March 17, 2025

Topic:

Consideration and possible action to approve, as a Project of the Tomball Economic Development 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 and amount not to exceed \$85,902.00.

Background:

All expenditures of the Tomball Economic Development Corporation (TEDC) sales tax revenue must first be approved as a "Project." At its meeting on March 4, 2025, the TEDC Board of Directors did take formal action to approve, as a Project of the TEDC, an agreement with Material and Design Solutions, LLC 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 City Council of Tomball has final approval authority over all projects and agreements of the TEDC.

Origination: Tomball Economic Development Corporation Board of Directors

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

TOMBALL

ECONOMIC DEVELOPMENT CORP.

TO: Honorable Mayor and City Council

FROM: Kelly Violette
Executive Director

MEETING DATE: March 17, 2025

SUBJECT: Material and Design Solutions, LLC

ITEM TYPE: Action

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.



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 Ft² 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 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

Material & Design Solutions (MDS)
Andy Jorgensen (Owner)
(713)732-0020 Office
(215)720-9076 cell
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
JOBS			
Direct	25.0	36.0	61.0
Spin-off	15.0	21.6	36.5
Jobs Total	40.0	57.6	97.5
SALARIES			
Direct	\$17,793,297	\$41,072,980	\$58,866,276
Spin-off	\$6,348,159	\$14,653,710	\$21,001,869
Salaries Total	\$24,141,456	\$55,726,690	\$79,868,145

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
	\$630,991	\$1,770,337	\$2,401,328

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

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

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

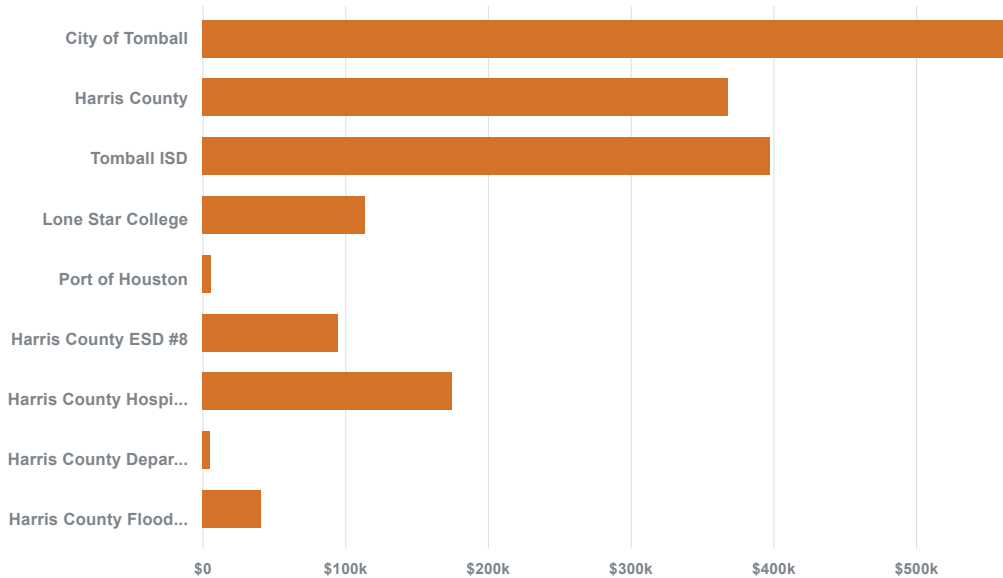
Fiscal Impact Overview

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
Total	\$2,949,662	(\$1,179,326)	\$1,770,337	\$1,361,633

*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
Total	\$85,902	\$85,902

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.

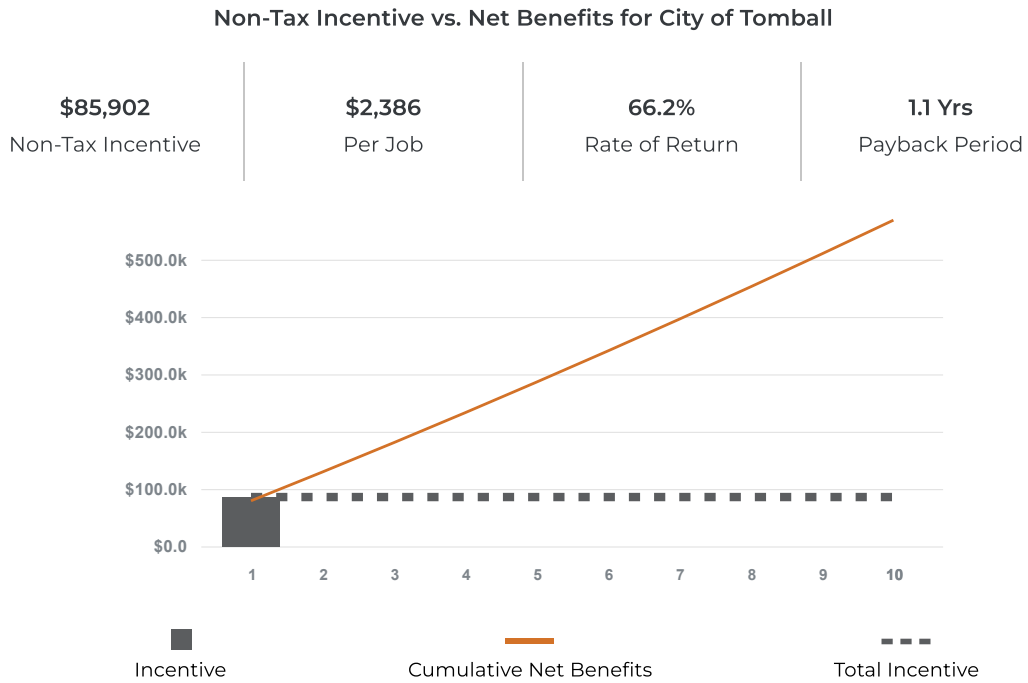
NET BENEFITS OVER 10 YEARS: CITY OF TOMBALL			
BENEFITS	PROJECT	HOUSEHOLDS	TOTAL
Sales Taxes	\$261,301	\$13,932	\$275,233
Real Property Taxes	\$248,551	\$0	\$248,551
FF&E Property Taxes	\$1,657	\$0	\$1,657
Inventory Property Taxes	\$44,965	\$0	\$44,965
New Residential Property Taxes	\$0	\$1,705	\$1,705
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
Benefits Subtotal	\$918,181	\$53,684	\$971,865
COSTS	PROJECT	HOUSEHOLDS	TOTAL
Cost of Government Services	(\$114,104)	(\$12,041)	(\$126,146)
Cost of Utility Services	(\$250,492)	(\$26,487)	(\$276,979)
Costs Subtotal	(\$364,596)	(\$38,528)	(\$403,125)
Net Benefits	\$553,584	\$15,156	\$568,740

Annual Fiscal Net Benefits for City of Tomball



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.

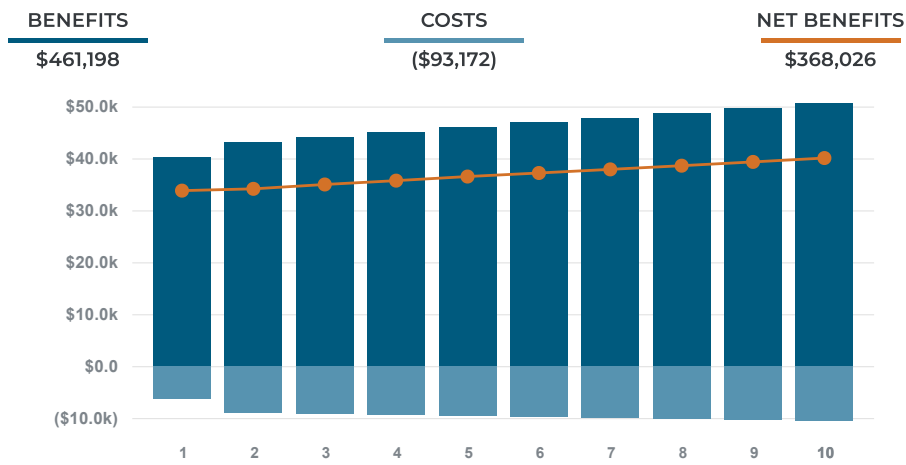


Harris County Fiscal Impact

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
Benefits Subtotal	\$409,840	\$51,358	\$461,198
COSTS	PROJECT	HOUSEHOLDS	TOTAL
Cost of Government Services	(\$41,108)	(\$52,064)	(\$93,172)
Costs Subtotal	(\$41,108)	(\$52,064)	(\$93,172)
Net Benefits	\$368,731	(\$706)	\$368,026

Annual Fiscal Net Benefits for Harris County

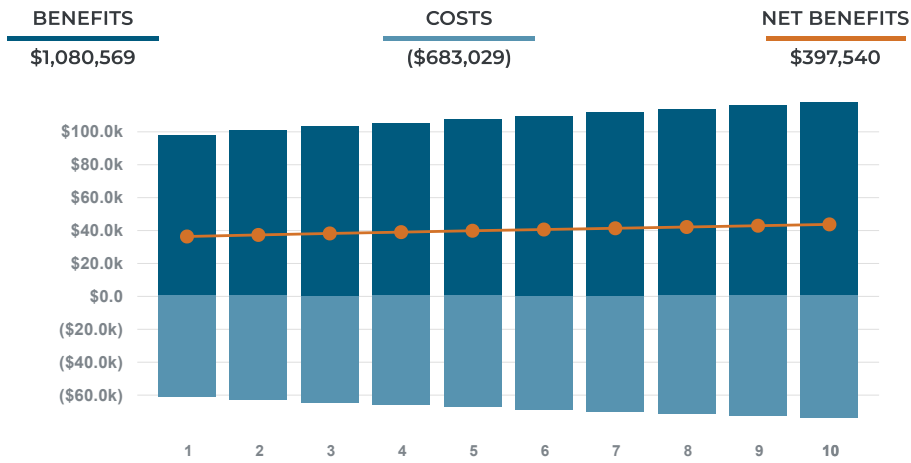


Tomball ISD Fiscal Impact

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
Benefits Subtotal	\$1,071,929	\$8,640	\$1,080,569
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)
Costs Subtotal	(\$675,315)	(\$7,714)	(\$683,029)
Net Benefits	\$396,614	\$926	\$397,540

Annual Fiscal Net Benefits for Tomball ISD

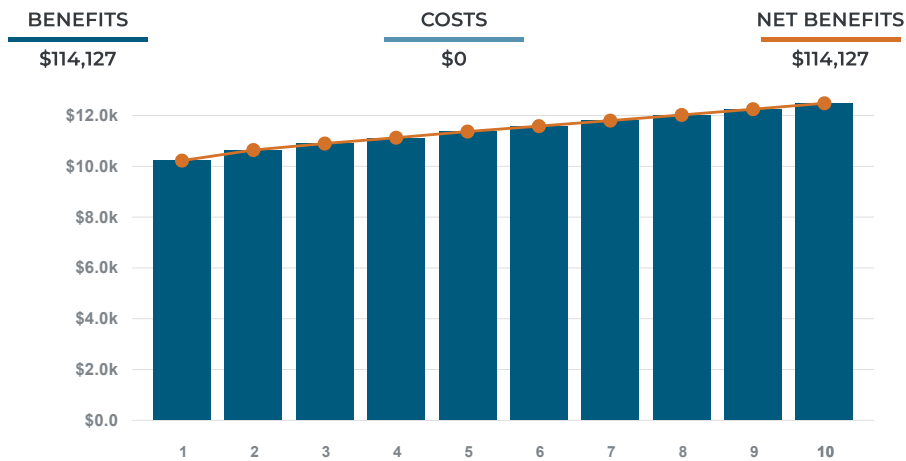


Lone Star College Fiscal Impact

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
Benefits Subtotal	\$108,280	\$5,848	\$114,127
COSTS	PROJECT	HOUSEHOLDS	TOTAL
None Estimated	\$0	\$0	\$0
Costs Subtotal	\$0	\$0	\$0
Net Benefits	\$108,280	\$5,848	\$114,127

Annual Fiscal Net Benefits for Lone Star College

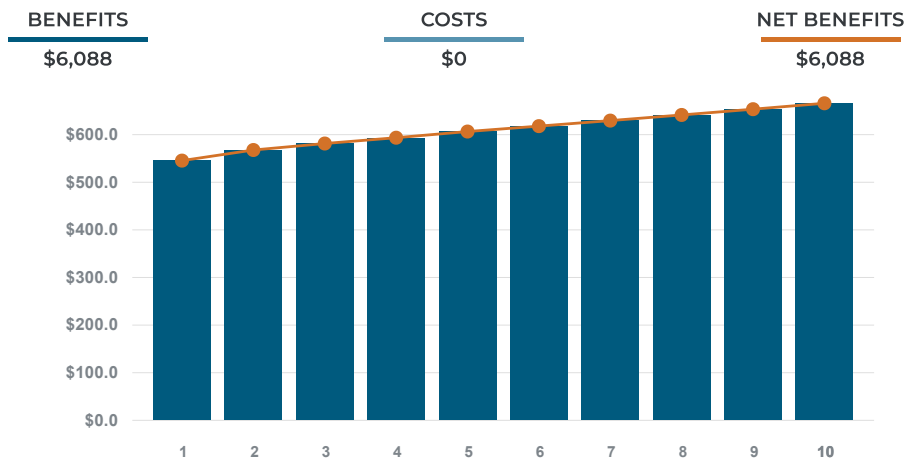


Port of Houston Fiscal Impact

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
Benefits Subtotal	\$5,776	\$312	\$6,088
COSTS	PROJECT	HOUSEHOLDS	TOTAL
None Estimated	\$0	\$0	\$0
Costs Subtotal	\$0	\$0	\$0
Net Benefits	\$5,776	\$312	\$6,088

Annual Fiscal Net Benefits for Port of Houston

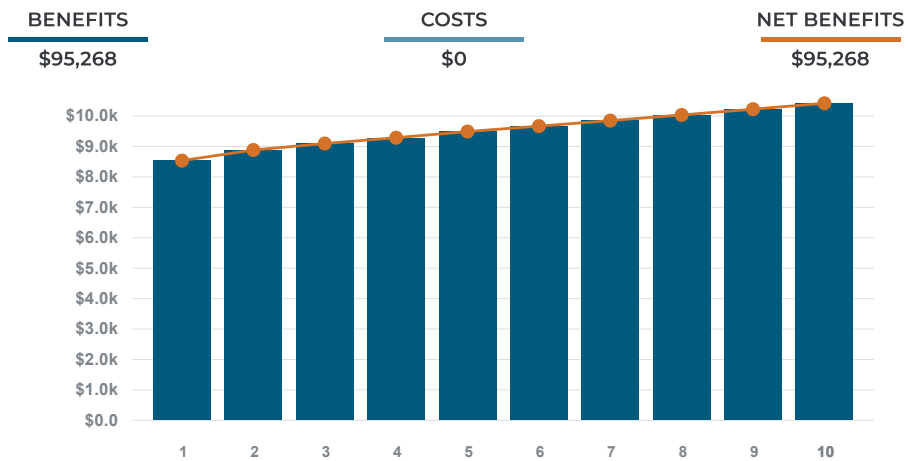


Harris County ESD #8 Fiscal Impact

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
Benefits Subtotal	\$90,386	\$4,881	\$95,268
COSTS	PROJECT	HOUSEHOLDS	TOTAL
None Estimated	\$0	\$0	\$0
Costs Subtotal	\$0	\$0	\$0
Net Benefits	\$90,386	\$4,881	\$95,268

Annual Fiscal Net Benefits for Harris County ESD #8

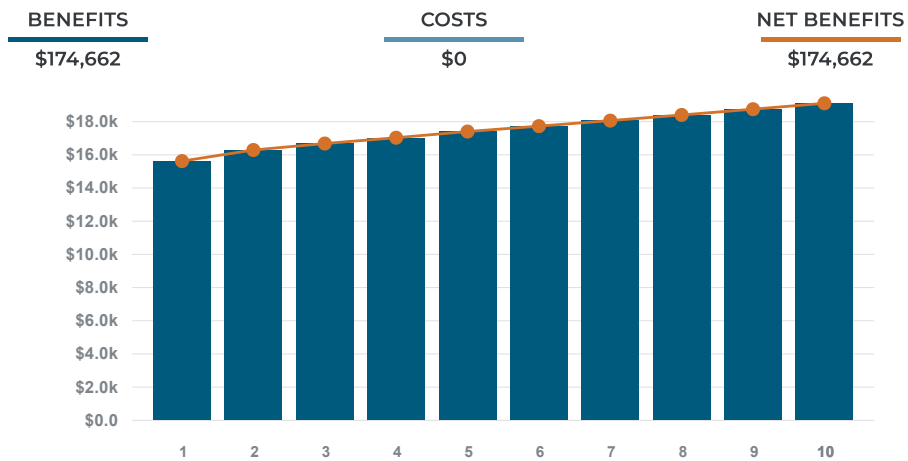


Harris County Hospital District Fiscal Impact

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
Benefits Subtotal	\$164,513	\$10,149	\$174,662
COSTS	PROJECT	HOUSEHOLDS	TOTAL
None Estimated	\$0	\$0	\$0
Costs Subtotal	\$0	\$0	\$0
Net Benefits	\$164,513	\$10,149	\$174,662

Annual Fiscal Net Benefits for Harris County Hospital District

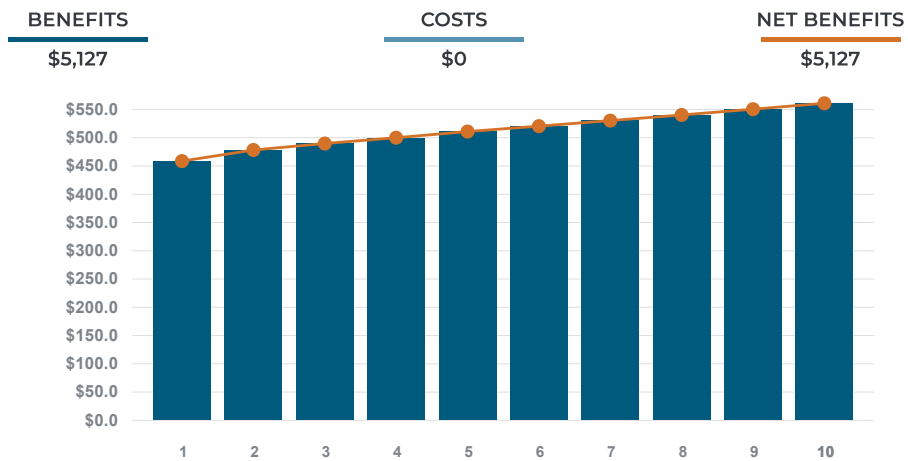


Harris County Department of Education Fiscal Impact

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
Benefits Subtotal	\$4,829	\$298	\$5,127
COSTS	PROJECT	HOUSEHOLDS	TOTAL
None Estimated	\$0	\$0	\$0
Costs Subtotal	\$0	\$0	\$0
Net Benefits	\$4,829	\$298	\$5,127

Annual Fiscal Net Benefits for Harris County Department of Education

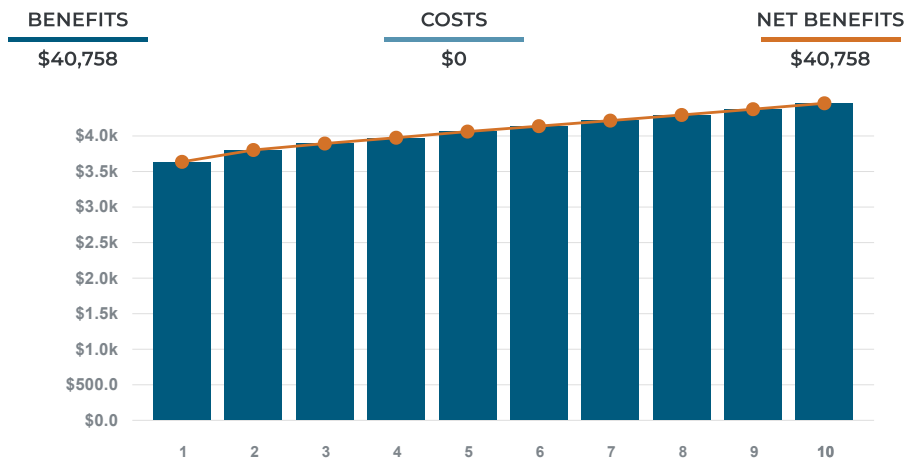


Harris County Flood Control Fiscal Impact

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
Benefits Subtotal	\$37,978	\$2,780	\$40,758
COSTS	PROJECT	HOUSEHOLDS	TOTAL
None Estimated	\$0	\$0	\$0
Costs Subtotal	\$0	\$0	\$0
Net Benefits	\$37,978	\$2,780	\$40,758

Annual Fiscal Net Benefits for Harris County Flood Control



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



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

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 City Council Agenda Item Data Sheet

Meeting Date: March 17, 2025

Topic:

Consideration and possible action to approve, as a Project of the Tomball Economic Development Corporation, an agreement with Houston Poly Bag I, Ltd, to make direct incentives to, or expenditures for, equipment expansion for the creation or 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 and amount not to exceed \$48,601.00.

Background:

All expenditures of the Tomball Economic Development Corporation (TEDC) sales tax revenue must first be approved as a "Project." At its meeting on March 4, 2025, the TEDC Board of Directors did take formal action to approve, as a Project of the TEDC, an agreement with Houston Poly Bag I, Ltd for the creation or retention of primary jobs associated with the equipment expansion, located at 11726 Holderrieth Rd., Tomball, Texas 77375. The City Council of Tomball has final approval authority over all projects and agreements of the TEDC.

Origination: Tomball Economic Development Corporation Board of Directors

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 _____
Staff Member-TEDC Date

Approved by _____
Executive Director-TEDC Date

TOMBALL

ECONOMIC DEVELOPMENT CORP.

TO: Honorable Mayor and City Council

FROM: Kelly Violette
Executive Director

MEETING DATE: March 17, 2025

SUBJECT: Houston Poly Bag I, Ltd

ITEM TYPE: Action

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.



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 13th and 14th 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



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
Jobs Total	229.8	81.4	311.2
SALARIES			
Direct	\$67,819,900	\$11,448,888	\$79,268,788
Spin-off	\$74,578,221	\$12,589,782	\$87,168,003
Salaries Total	\$142.40M	\$24,038,670	\$166.44M

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
	\$6,341,860	\$790,483	\$7,132,343

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

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

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

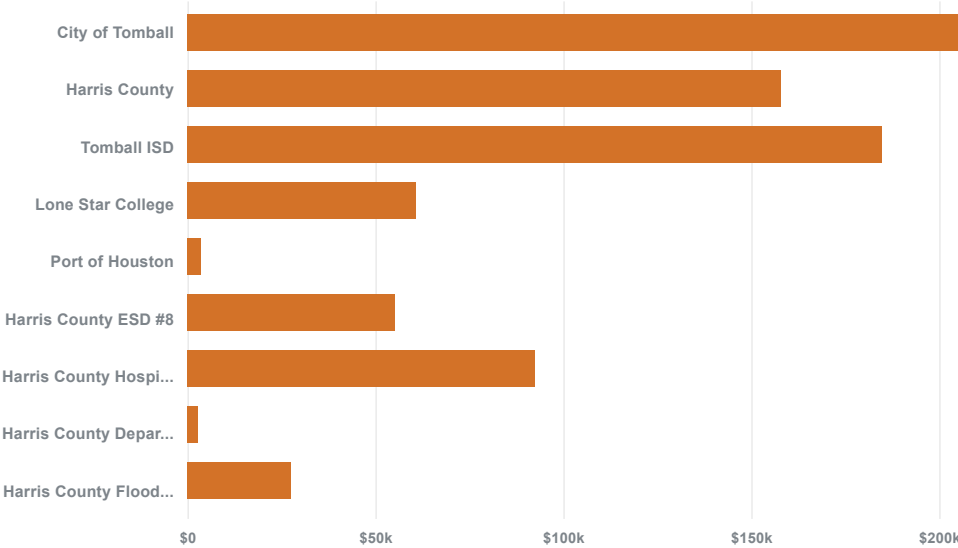
Fiscal Impact Overview

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
Total	\$1,715,047	(\$924,564)	\$790,483	\$647,397

*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.

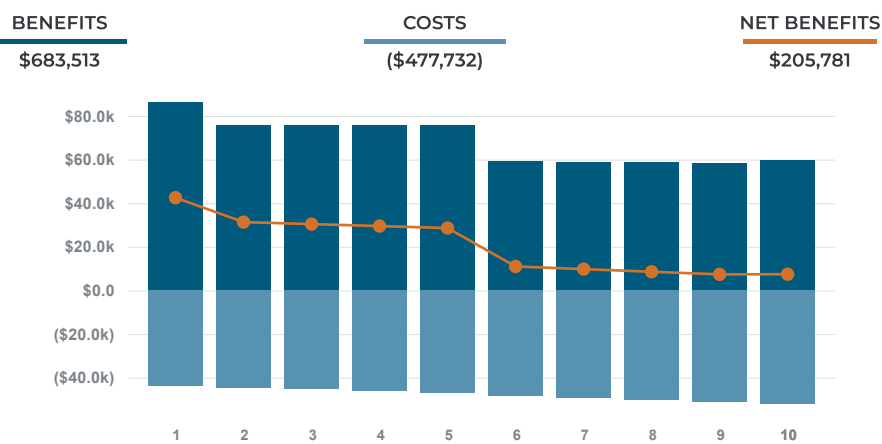
VALUE OF PUBLIC SUPPORT UNDER CONSIDERATION		
	NON-TAX INCENTIVE	TOTAL
City of Tomball	\$48,601	\$48,601
Harris County	\$0	\$0
Tomball ISD	\$0	\$0
Lone Star College	\$0	\$0
Port of Houston	\$0	\$0
Harris County ESD #8	\$0	\$0
Harris County Hospital District	\$0	\$0
Harris County Department of Education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

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.

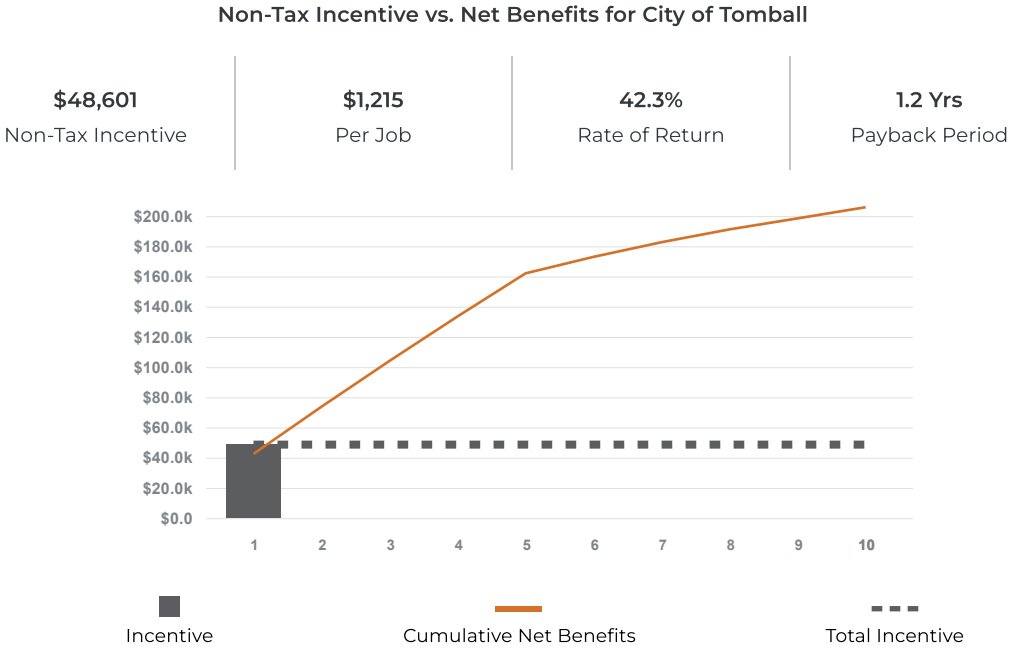
NET BENEFITS OVER 10 YEARS: CITY OF TOMBALL			
BENEFITS	PROJECT	HOUSEHOLDS	TOTAL
Sales Taxes	\$42,180	\$6,010	\$48,190
Real Property Taxes	\$46,039	\$0	\$46,039
FF&E Property Taxes	\$72,961	\$0	\$72,961
Inventory Property Taxes	\$35,009	\$0	\$35,009
New Residential Property Taxes	\$0	\$4,131	\$4,131
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
Benefits Subtotal	\$612,066	\$71,447	\$683,513
COSTS	PROJECT	HOUSEHOLDS	TOTAL
Cost of Government Services	(\$130,083)	(\$19,402)	(\$149,485)
Cost of Utility Services	(\$285,569)	(\$42,679)	(\$328,248)
Costs Subtotal	(\$415,651)	(\$62,081)	(\$477,732)
Net Benefits	\$196,415	\$9,366	\$205,781

Annual Fiscal Net Benefits for City of Tomball



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.

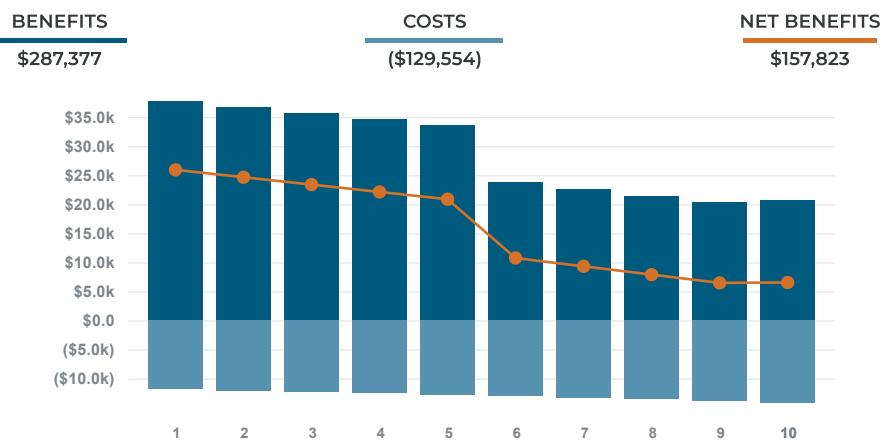


Harris County Fiscal Impact

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
Benefits Subtotal	\$202,628	\$84,749	\$287,377
COSTS	PROJECT	HOUSEHOLDS	TOTAL
Cost of Government Services	(\$46,865)	(\$82,689)	(\$129,554)
Costs Subtotal	(\$46,865)	(\$82,689)	(\$129,554)
Net Benefits	\$155,764	\$2,060	\$157,823

Annual Fiscal Net Benefits for Harris County

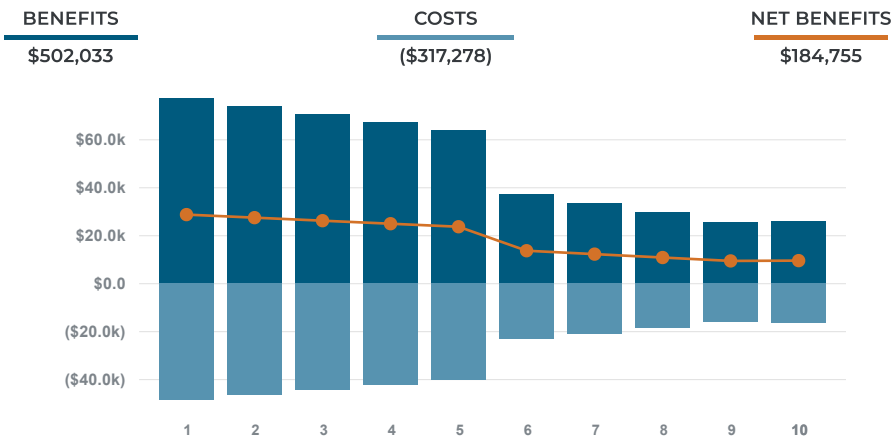


Tomball ISD Fiscal Impact

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
Benefits Subtotal	\$486,661	\$15,372	\$502,033
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)
Costs Subtotal	(\$305,137)	(\$12,141)	(\$317,278)
Net Benefits	\$181,525	\$3,231	\$184,755

Annual Fiscal Net Benefits for Tomball ISD

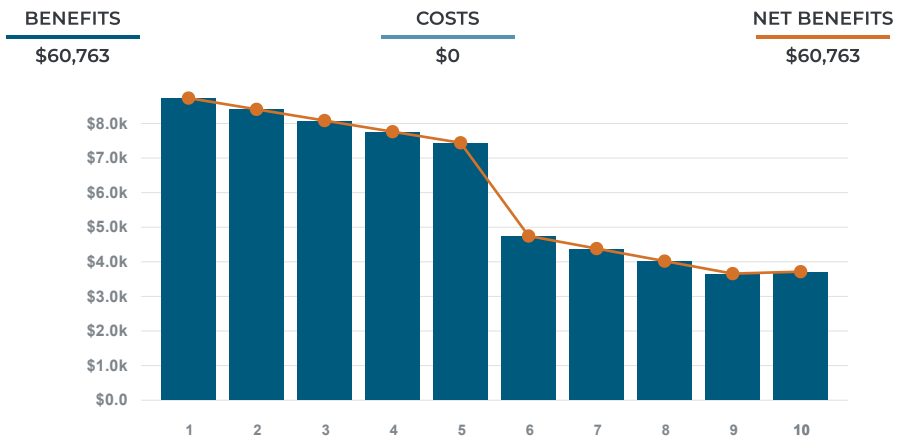


Lone Star College Fiscal Impact

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
Benefits Subtotal	\$49,266	\$11,497	\$60,763
COSTS	PROJECT	HOUSEHOLDS	TOTAL
None Estimated	\$0	\$0	\$0
Costs Subtotal	\$0	\$0	\$0
Net Benefits	\$49,266	\$11,497	\$60,763

Annual Fiscal Net Benefits for Lone Star College

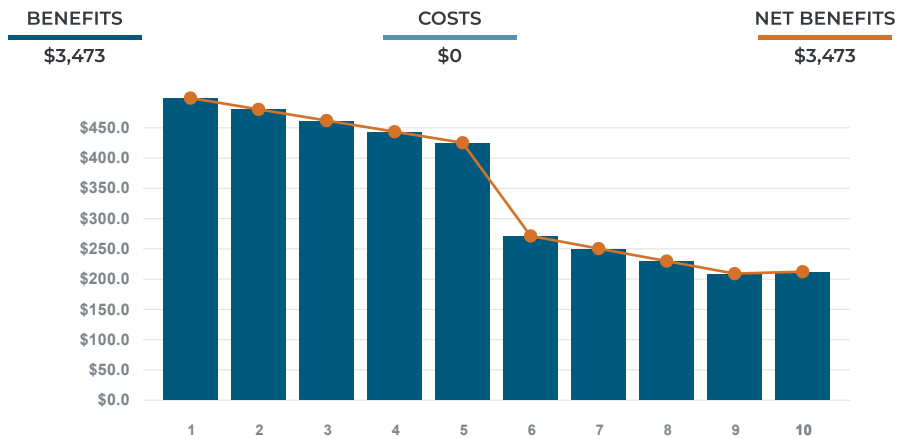


Port of Houston Fiscal Impact

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
Benefits Subtotal	\$2,816	\$657	\$3,473
COSTS	PROJECT	HOUSEHOLDS	TOTAL
None Estimated	\$0	\$0	\$0
Costs Subtotal	\$0	\$0	\$0
Net Benefits	\$2,816	\$657	\$3,473

Annual Fiscal Net Benefits for Port of Houston

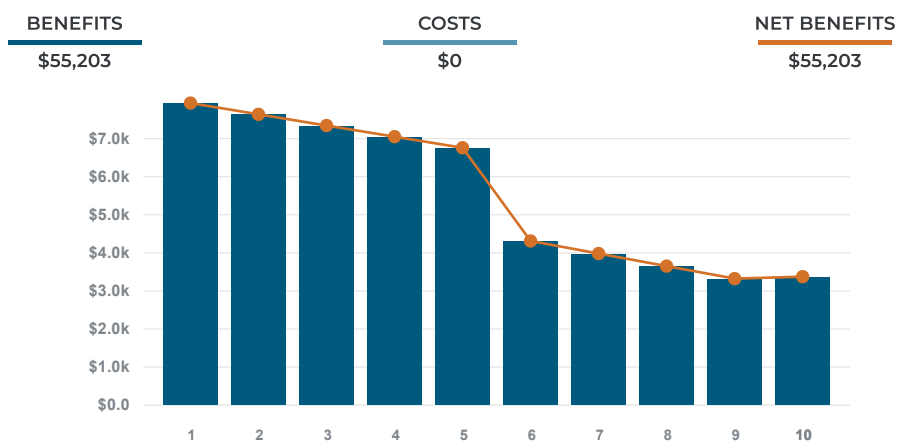


Harris County ESD #8 Fiscal Impact

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
Benefits Subtotal	\$44,758	\$10,445	\$55,203
COSTS	PROJECT	HOUSEHOLDS	TOTAL
None Estimated	\$0	\$0	\$0
Costs Subtotal	\$0	\$0	\$0
Net Benefits	\$44,758	\$10,445	\$55,203

Annual Fiscal Net Benefits for Harris County ESD #8

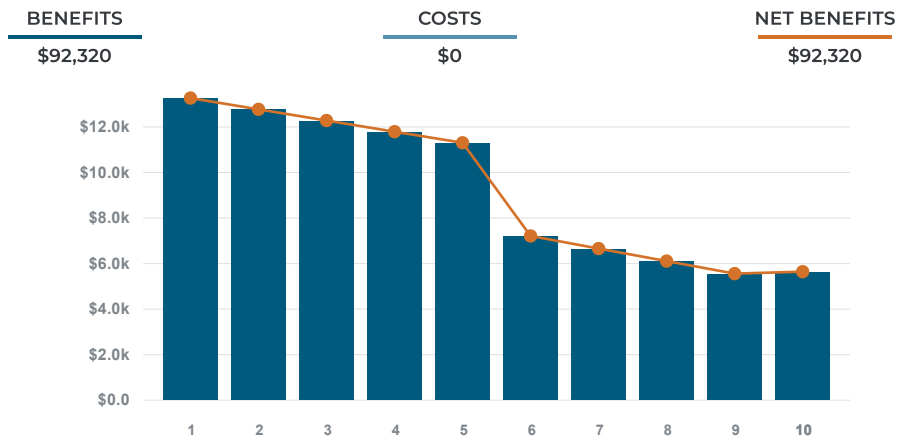


Harris County Hospital District Fiscal Impact

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
Benefits Subtotal	\$74,851	\$17,468	\$92,320
COSTS	PROJECT	HOUSEHOLDS	TOTAL
None Estimated	\$0	\$0	\$0
Costs Subtotal	\$0	\$0	\$0
Net Benefits	\$74,851	\$17,468	\$92,320

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
Benefits Subtotal	\$2,197	\$513	\$2,710
COSTS	PROJECT	HOUSEHOLDS	TOTAL
None Estimated	\$0	\$0	\$0
Costs Subtotal	\$0	\$0	\$0
Net Benefits	\$2,197	\$513	\$2,710

Annual Fiscal Net Benefits for Harris County Department of Education

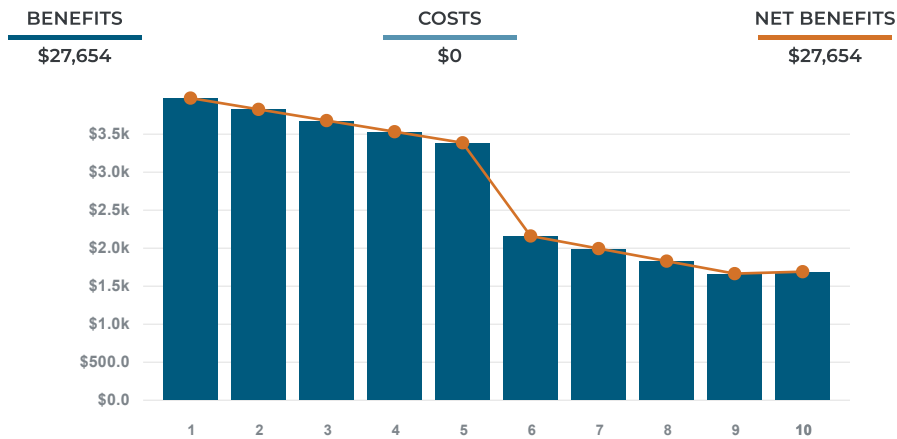


Harris County Flood Control Fiscal Impact

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
Benefits Subtotal	\$22,421	\$5,233	\$27,654
COSTS	PROJECT	HOUSEHOLDS	TOTAL
None Estimated	\$0	\$0	\$0
Costs Subtotal	\$0	\$0	\$0
Net Benefits	\$22,421	\$5,233	\$27,654

Annual Fiscal Net Benefits for Harris County Flood Control



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



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

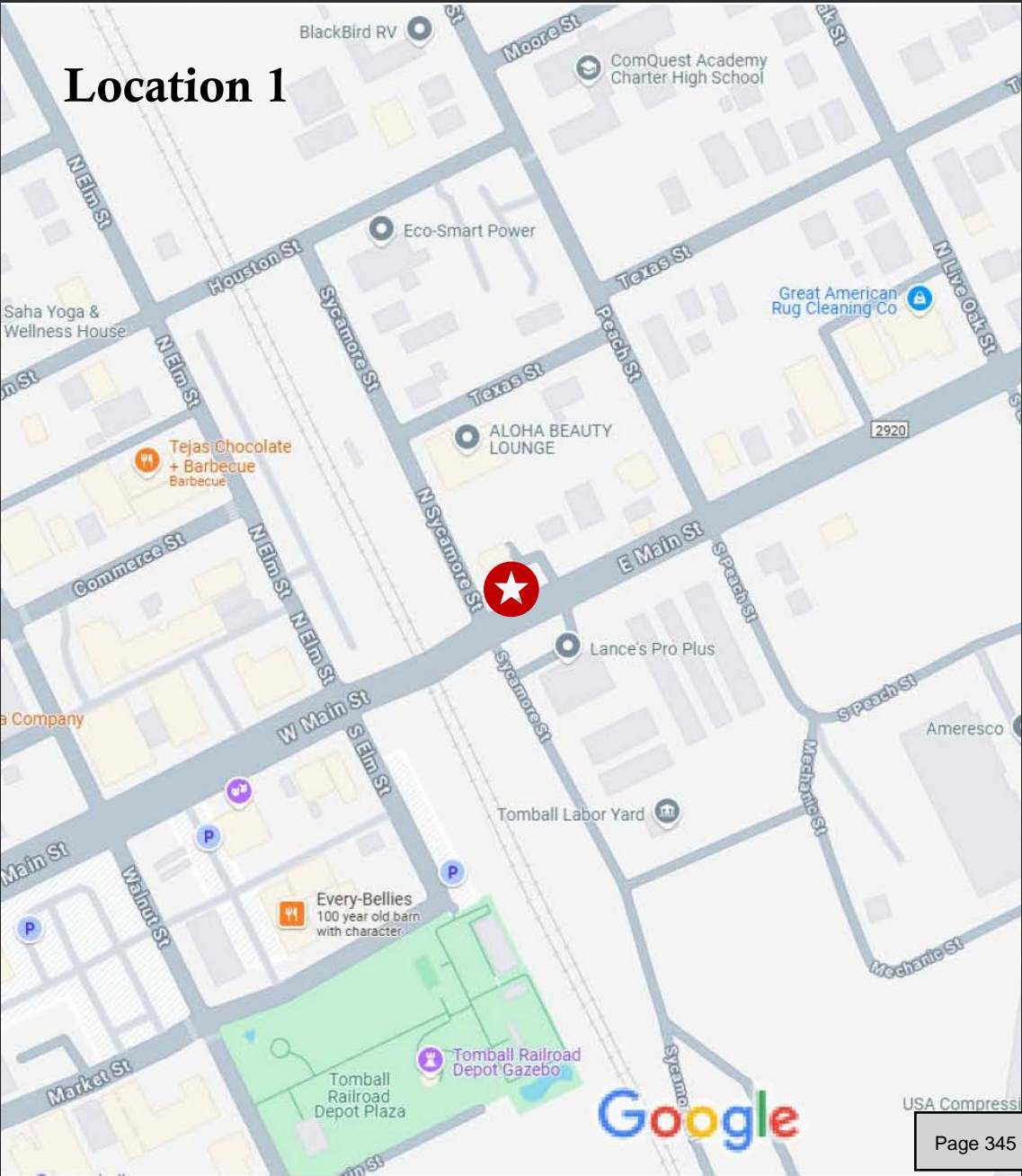
Construction of an additional 4,000 sq. ft. of office space, adding 2 multi-layered extrusion machines, a 10 color CI Printing press and a unwind rewind system for converting out of line production.



Visit Old Town Billboards

Description: FM 2920 NS 20ft E/O Sycamore F/E - 2
Geopath ID: 81844 **City:** TOMBALL **Latitude:** 30.099
Media Type: Premiere Posters **State:** TX **Longitude:** -95.613
Display Dimensions: 12'3" x 24'6" **Zip:** 77375 **Facing:** E
Physical Dimensions: 12'3" x 24'6"

Weekly Impressions Houston TX (DMA)	Demo 18+ yrs	In Market 96,429	Total 99,009
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VISIT OLD TOWN

TOMBALL

SHOP DINE STAY PLAY

Description: FM 1488 NS 0.4mi W/O Egypt Community F/W - 1
Geopath ID: 82177 **City:** Conroe **Latitude:** 30.221
Media Type: Bulletin **State:** TX **Longitude:** -95.572
Display Dimensions: 14' x 48' **Zip:** 77354 **Facing:** W
Physical Dimensions: 14' x 48'

Weekly Impressions Houston TX (DMA)		
Demo 18+ yrs	In Market 93,106	Total 105,870



Visit
OLD TOWN

TOMBALL

SHOP DINE STAY PLAY

City Council Meeting Agenda Item Data Sheet

Meeting Date: March 17, 2025

Topic:

Discuss Council Ethics and Rules & Procedures

Background:

Origination:

Recommendation:

N/A

Party(ies) responsible for placing this item on agenda: David Esquivel, PE

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: _____ Approved by: _____
Staff Member Date City Manager Date

CITY COUNCIL RULES AND ORDER OF BUSINESS ("RULES")
City of Tomball, Texas
Resolution No.2025-xx

ORGANIZATION

The governing body of the City shall consist of the Mayor and five (5) council members ("Council"). The Mayor is elected in the City at large, and the Council members are elected at large by positions 1, 2, 3, 4, and 5. The Mayor shall be the presiding officer for Council meetings and, pursuant the City's Charter, shall only vote in the event of a tie vote. These Rules shall serve as guidelines for the organization and conduct of Council to ensure that the City is governed in an orderly and consistent manner.

1. REGULAR MEETINGS

The Council shall hold no less than two regular meetings per month in accordance with Section 6.12 of the City Charter. Regular meetings shall be held at dates and times adopted by City Council and shall generally be on the 1st and 3rd Monday of each month at 6:00 P.M. Unless designated otherwise, meetings of the City Council shall take place in the Council Chambers of City Hall, and the public is invited to attend the meetings. If the Council meets at a place or time other than its regular meeting place, then public notice to such effect shall be posted in accordance with the Texas Open Meetings Act.

2. SPECIAL MEETINGS

A special meeting may be held upon the written request of the Mayor or any two (2) council members. Notice of special meetings must be posted in accordance with the Texas Open Meetings Act.

3. JOINT MEETINGS

The Council may hold Joint Meetings with various Boards, Commissions, and/or various governmental entities that share a community interest with the City. Such meetings shall be scheduled for a specific purpose or goal, agreed to by the City and the other board or entity prior to the meeting and posted in accordance with the Texas Open Meetings Act.

4. EXECUTIVE SESSIONS

Pursuant to the Texas Open Meetings Act, the Council may conduct closed meetings that are not open to the public when the following matters are considered:

- A. Consultation with an attorney regarding pending or contemplated litigation; a settlement offer; or to receive advice on legal matters not associated with litigation.
- B. Deliberations associated with the sale, purchase or exchange of real property.
- C. Personnel matters.

D. Deliberations regarding security matters.

E. Deliberations regarding economic development negotiations.

The purpose of an executive session shall be stated in the motion to call the closed session. Any action taken on a matter discussed in executive session shall occur in an open meeting following the deliberation in closed session.

5. ATTENDANCE

Serving on the City Council is a privilege that carries with it the responsibility to represent constituents through participation in Council meetings. Attendance at council meetings is critical to fulfillment of this responsibility and accountability to public. Therefore, Council members unable to attend a Council meeting shall be required to contact the City Secretary's Office no less than two (2) hours prior to the meeting, stating the reason for such absence. The City Secretary shall inform the Council of the reason for the member's absence prior to the City Council meeting. For Regular meetings of the City Council, an agenda item shall be placed on the next Regular meeting agenda following the Council members absence for City Council to consider whether the absence is excused or unexcused. Failure to comply with the notification provisions of this section, except in cases of emergency, may result in an unexcused absence.

6. AGENDA

The City Manager and the City Secretary shall prepare an agenda for business to be considered at each regular Council meeting. It shall be the practice of the City to include on any regular Council meeting agenda all items that are deemed appropriate by the City Manager, the Mayor, or any two (2) Councilmembers.

Councilmembers desiring to make individual presentations or share information, outside of material provided in the agenda packet, regarding any posted agenda items shall submit the additional presentation material to the City Manager and the City Secretary by noon on the day of the meeting. The City Manager shall share the information with the entire City Council body no less than four hours prior to the start of the posted public meeting.

For the Mayor or any two (2) Councilmembers to have an item placed on the regular meeting agenda, the request shall be in writing and shall be filed with the City Secretary no later than noon on the Monday the week before the regular meeting at which it is requested for consideration. Agenda items requested by the Mayor or Councilmembers shall be placed on the Mayor/Councilmember reports & announcements portion of the agenda. If the filing is later than noon on the Monday before the regular meeting, the item shall be placed on the agenda of the next regular meeting, unless the Mayor and/or City Manager determine that delaying the requested item would be contrary to the City's best interest. The Agenda for the City Council Regular Meetings shall be developed by the City Manager and published by the City Secretary in the manner generally prescribed as follows:

A. Call to Order

B. Invocation

- C. Pledge of Allegiance to the United States of America flag and Texas flag
- D. Public Comments and Receipt of Petitions
- E. Presentations
- F. Reports & Announcements
- G. Old Business Consent
- H. Old Business Agenda
- I. New Business Consent Agenda-
- J. New Business
- K. Executive Session (if required)
- L. Adjournment

***At the discretion of the Mayor, special presentations may be presented prior to the Call to Order for a City Council meeting.**

7. PUBLIC COMMENT RULES

- A. All members of the audience addressing the Council ("Speaker") shall direct their remarks to the person in charge of the meeting ("Chair").
- B. No Speaker shall address the Council unless recognized by the Chair for that purpose.
- C. Remarks shall be limited to those pertaining to matters before the City Council, to City business or policy, or to issues of community concern or interest. Profane, vulgar or abusive language or personal attacks will not be tolerated.
- D. No Speaker shall continue to address the Council after being informed by the Chair that the Speaker's time for addressing the Council has expired.
- E. The Speaker shall be limited to 3 minutes to address the Council. If a single individual has been designated, on behalf of a larger group, to speak for the group, then such individual shall be allowed a maximum of 5 minutes to speak. The Chair has the authority to grant additional time, if requested by a Speaker, for good cause. At the end of the Speaker's allotted time, the Chair shall direct the Speaker to wrap up and the Speaker shall not exceed 1 additional minute of speaking time.
- F. Council shall not respond to Speakers.

8. QUORUM

Four (4) members of the Council, including the Mayor, shall constitute a quorum for conducting business, unless otherwise prescribed by law. A quorum for conducting business can be achieved with the presence of the Mayor and three (3) councilmembers; or, in the absence of the Mayor, four (4) councilmembers.

9. VOTING

A. Unless otherwise provided by City Charter, law or ordinance, the affirmative vote of the majority of those councilmembers present shall be necessary to adopt any item on an agenda. The vote on all ordinances and resolutions shall be taken by roll call and entered into the City's official record to reflect each councilmember's vote.

B. It is the duty of each councilmember who has an opinion on an item presented for consideration and vote to express it by a vote to approve or deny the item. It is recognized that parliamentary procedure affords members of the City Council the right to abstain from voting on an item instead of voting to approve or deny the item. To maintain public transparency, any councilmember abstaining from a vote on an item shall state the purpose for the abstention which shall be entered into the City's official record.

10. DEBATE AND DECORUM

Robert's Rules of Order Newly Revised shall, to the extent feasible, govern the proceedings of Council. The City Attorney shall act as Parliamentarian for Council meetings.

11. ETHICAL STANDARDS

It is the official policy of the City that:

- A. City officials shall be independent, impartial, and responsible to the citizens of the City;
- B. City officials shall not have a financial interest, and shall not engage in any business, transaction, or professional activity, or incur any obligation that conflicts with the proper discharge of their duties for the city in the public interest;
- C. The principles of personal conduct and ethical behavior that should guide the behavior of city officials include:
 - 1. A commitment to the public welfare
 - 2. Respect for the value and dignity of all individuals;
 - 3. Accountability to the citizens of the city;
 - 4. Truthfulness; and
 - 5. Fairness.
- D. Under such principles of conduct and ethical behavior, City officials should:

- 1. Conduct business with integrity and in a manner that

- merits the trust and support of the public;
 2. Be responsible stewards of the taxpayers' resources; and
 3. Take no official actions that would result in personal benefit in conflict with the best interests of the city.
- E. To implement the purpose and principles described herein, the Council has enacted rules of ethical conduct to govern city officials (City Ordinance No. 1993-06 as it may be amended from time to time).
- F. In order to adopt standards of disclosure and transparency in government, and to promote public trust in government, the City Council adopts the following guidelines regarding public disclosure of information related to Councilmember compliance with state and local law:
1. The City shall maintain a City Council Public Disclosure Webpage ("Public Disclosure Page"), with a direct link, visible from the City's homepage and individual Councilmember bio pages, containing public disclosure information for each City Councilmember; and
 2. Each Councilmember Disclosure Page shall include public disclosure of the following information:
 - (a) All campaign finance reports required by state law; and
 - (b) All conflicts or ethical disclosures required by state or local law; and
 - (c) A copy of awarded contracts for which the Councilmember was required, by local or state law, to file a conflicts affidavit and abstain from participation in discussion of and any vote related to the contract.

12.CITY COUNCIL CENSURE

- A. Policy: The City Council places value on the characteristics of honesty, integrity, confidentiality, respect, and transparency. In furtherance of these leadership qualities and public accountability, the City Council adopts a censure policy to allow for Council disapproval or criticism of any of its members for actions unbecoming of their position.
- B. Grounds: Council members may be subject to censure if they engage in the following:
- (1) conduct found to impugn the character of a member of the public, another Council member, or staff member;
 - (2) conduct found to violate the Charter, these Rules, state and local conflicts disclosure laws, and council confidentiality including, but not limited to, the release of confidential information to unauthorized parties without approval of the City Council; or
 - (3) conduct found to cause embarrassment or damage to the

reputation of the City.

C. Procedure: The following procedural rules shall apply to a censure request:

- (1) Any three (3) Councilmembers, including the Mayor, may place a censure request on a regular meeting agenda. The request shall be in writing and shall be filed with the City Secretary no later than noon on the Monday the week before the regular meeting at which it is requested for consideration.
- (2) All Council members shall be provided a copy a censure request on the same day the request is filed with the City Secretary.
- (3) A censure request shall include the name(s) of the alleged offending Council member(s) with a statement of the reasons for the censure.
- (4) All discussion shall be conducted in open session.
- (5) The alleged offending Council member(s) shall be provided an opportunity to respond to the allegations and present evidence in their defense except that City Council may proceed with the censure request in the absence of the alleged offending Council member(s); and
- (6) A two-thirds (2/3) vote of the City Council members present, excluding the Council member that is the subject of the Censure Request, shall be required to approve a censure request.

D. Consequences: If sustained, a censure request shall serve as an official public statement of disapproval or criticism of a Council member(s) conduct subject to the following actions:

- (1) Minutes of the City Council's censure action shall be entered into the public record;
- (2) The official minutes shall be posted on the Council member(s) Public Disclosure Page; and
- (3) The censured Council member(s) may be removed from committee assignments within the city or with intergovernmental agencies.

13. USE OF CITY COMPUTERS/TABLETS

The City shall make computers and/or electronic tablets ("Device") available to Council to be used for City business and City related purposes. Personal use of a City-owned Device is discouraged and should be limited to intended City related uses of the Device. The following rules shall apply to Council members using a City issued Device:

- A. The Device shall contain all associated hardware and software. Council members shall not install hardware or software on a Device without prior approval of the City's Information Technology Department.

- B. The Device will be equipped to allow internet access and e-mail capabilities; however, Council members shall refrain from using such features to communicate with other Council members during Council meetings.
- C. Council members shall have use of the Device during the member's term of office, and such right shall terminate at the same time the member's term of office ends, at which time the Device and all associated equipment shall be returned to the City.
- D. Council members shall be responsible for maintaining the Device in good condition, and to reasonably protect it from theft, loss or damage.
- E. Council Members may not use a Device in connection with election or re-election efforts or campaigning, either for the member or any candidate for public office.
- F. Council members shall not use the Device for any commercial or financial gain, and shall not use the Device to access, store or download inappropriate or obscene material.
- G. Council should recognize that most information contained on a Device is subject to the Texas Public Information Act or other means of discovery and that all public information shall be preserved in accordance with state law.
- H. Council members shall not use the Device in a manner that would violate the terms of the Texas Open Meetings Act or Public Information Act.

14. COUNCIL APPROVAL OF INDIVIDUAL COUNCIL MEMBER NON-ROUTINE REQUESTS FOR INFORMATION OR INVESTIGATIONS BY CITY STAFF

Any Council members' request to the City Manager for the Manager or City staff to create reports or other information, other than routine requests (i.e., requests for existing information or new research that can be answered under 30 minutes), shall be added to a Council meeting agenda in the manner prescribed under section 6 of these Rules, considered under the Mayor/Council Issues portion of the meeting, and thereafter considered for authorization to proceed by a majority of the Council.

15. NEW COUNCIL MEMBER ORIENTATION

Each new Council member shall, upon taking the oath of office, be provided various forms of vital information which shall include, but not be limited to, the following:

- A. City Charter
- B. Comprehensive Plan

- C. Current Budget
- D. Comprehensive Annual Financial Report for the last Fiscal Year
- E. Council rules and Order of Business (“Rules’)
- F. Public Information Act and Open Meetings Act Training

Each new member of Council shall be offered an opportunity by the City Manager to tour various City facilities (i.e., City Hall, Police/Fire stations, Park facilities, Public works facilities, etc.).

ORDINANCE NO. 93-06

AN ORDINANCE OF THE CITY OF TOMBALL, TEXAS, AMENDING THE CODE OF ORDINANCES BY ADDING A NEW ARTICLE III, DIVISION 4 TO CHAPTER 2 OF THE CODE TO ESTABLISH A CODE OF ETHICS FOR CITY OFFICERS AND EMPLOYEES; CONTAINING DEFINITIONS; PROVIDING A PENALTY IN AN AMOUNT OF \$500 PER OFFENSE, OR AS PROVIDED BY STATE LAW; DIRECTING PUBLICATION OF THE CAPTION OF THIS ORDINANCE; FINDING THAT THE MEETINGS AT WHICH THIS ORDINANCE IS CONSIDERED ARE OPEN TO THE PUBLIC; PROVIDING FOR SEVERABILITY AND THE REPEAL OF CONFLICTING ORDINANCES; AND PROVIDING OTHER DETAILS RELATING TO THE PASSAGE OF THIS ORDINANCE.

* * * * *

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

Section 1.0. That Chapter 2 of the Code of Ordinances of the City of Tomball, Texas, is hereby amended by adding a new Article III, Division 4, which provides as follows, and which shall be renumbered to conform to the numbering system of such Code:

**"CODE OF ETHICS OF
THE CITY OF TOMBALL, TEXAS"**

1.0. Declaration of Policy.

It is hereby determined by the City Council of the City of Tomball, Texas, that the proper operation of government requires that public officers and employees be independent and impartial; that the government's decisions and policies be made within the proper channels of the governmental structure; that a public office not be used for personal gain; and that the public have confidence in the integrity of its government and its governmental officials.

The purpose of this Code is to enumerate existing state laws which regulate the conduct and activities of City officers and employees, and to promulgate such additional minimum standards as are deemed necessary and appropriate to assure the faithful and impartial administration of the City's government.

**CODE OF ETHICS OF
THE CITY OF TOMBALL, TEXAS**

2.0. Definitions.

For the purposes of this Code of Ethics the following words, terms, and phrases shall have the meanings ascribed thereto:

- 2.01. **City Employee.** Any person employed by the City, including those individuals employed on a part-time basis.
- 2.02. **City Officer.** The Mayor, members of the City Council, the City Manager, City Secretary, Municipal Court Judge and Clerk, Alternate Judges, and Substitute Judges, and each member and alternate member of all of the City Boards, Commissions, and Committees.
- 2.03. **City Official.** A City officer or City employee.

3.0. Ethical Principals.

The following Code of Ethics for all City officers and employees is adopted. To further the objectives of this Code of Ethics, certain ethical principles shall govern the conduct of every officer or employee, who shall:

- 1. Be dedicated to the highest ideals of honor and integrity in all public and personal relationships in order to merit the respect and confidence of the citizens of Tomball;
- 2. Recognize that the chief function of local government at all times is to serve the best interests of all of the people;
- 3. Be dedicated to public service by being cooperative and constructive, and by making the best and most efficient use of available resources;
- 4. Refrain from any activity or action that may hinder one's ability to be objective and impartial on any matter coming before the council or the City. Do not seek or accept gifts or special favors; believe that personal gain by use of confidential information or by misuse of public funds or time is dishonest;
- 5. Recognize that public and political policy decisions, based on established values, are ultimately the responsibility of the City and City Council; and

6. Conduct business in open, duly noticed meetings in order to be directly accountable to the citizens of Tomball. It is recognized that certain exceptions are made by the State for executive sessions; however, any action as a result of that type of meeting will be handled later in open session.

4.0. Standards of Conduct.

In order to more fully effectuate the policy declared in this Code of Ethics, to assure that all City officials act and conduct themselves both inside and outside the City's service so as to give no occasion for distrust of their integrity, and to avoid even the appearance of impropriety by any City official, the following standards of conduct are adopted.

4.01. Grant of Special Consideration.

No City official shall grant any special consideration, treatment, or advantage to any citizen, individual, business organization, or group beyond that which is normally available to every other citizen, individual, business organization, or group. This shall not prevent special considerations authorized and granted by the City Council for the purpose of creating incentives necessary to secure or retain employees.

4.02. Appearances on Behalf of Private Interests.

No City official shall represent or appear on behalf of private interests of others before any agency of the City, or any City board, commission, committee, or City Council concerning any case, project, or matter over which the official exercises discretionary authority, nor shall a City official represent any private interest of others in any action or proceeding involving the City, nor voluntarily participate on behalf of others in any litigation to which the City is a party.

4.03. Appearances by Past Officials.

No City official, holding a position which involves decision-making, advisory, or supervisory responsibility, shall, within twelve (12) months following the end of service with the City, represent or appear on behalf of private interests of others before the City or any agency thereof concerning any case, project, or matter over which the official has exercised discretionary authority.

4.04. Securing Special Privileges.

No City official shall use his official position to secure special privilege or exemption for himself or others.

**CODE OF ETHICS OF
THE CITY OF TOMBALL, TEXAS**

4.05. Gifts.

No City official shall accept or solicit any gift or favor that could reasonably tend to influence that individual in the discharge of official duties or that the official knows or should know has been offered with the intent to influence or reward official conduct.

4.06. Disclosure or Use of Confidential Information.

No City official shall disclose any confidential information gained by reason of his office or employment with the City, concerning any property, operation, policy, or affair of the City, or use such confidential information to advance any personal interest, financial or otherwise, of such official or others.

4.07. Incompatible Outside Activities.

No City official shall engage in any outside activity which will conflict with, or be incompatible with, the City office or employment.

4.08. Incompatible Employment.

No City official shall accept outside employment which is incompatible with the full and proper discharge of his or her duties and responsibilities with the City, or which might impair his or her independent judgment in the performance of his or her public duty.

4.09. Use of City Property for Personal Use.

No City official shall use City supplies, equipment, vehicles, or facilities for any purpose other than the conduct of official City business, unless otherwise specifically provided for by law, ordinance, or City policy.

5.0. State Laws Governing Conduct.

5.01. Conflicts of Interest.

- 5.01.01. Pursuant to § 171.001 et seq., Texas Local Government Code, a local public official having a substantial interest in a business entity or piece of real property must file, before any vote or decision is made on any matter affecting the business entity or real property, an affidavit stating the nature and extent of the interest. The official must file the affidavit with the City Secretary, and is required to abstain from any further participation in the matter if (1) the proposed action would have a special economic effect on the business entity that is distinguishable from the effect on the public, or (2) it is reasonably foreseeable that the action would have a special economic effect on the value of the real property which is distinguishable from its effect on the public. An exception to the abstention rule is provided in cases where a majority of members of the entity are likewise required to and do file affidavits.
- 5.01.02. A substantial interest in a business entity exists when the official (a) owns ten percent (10%) or more of the voting stock or shares of the business entity, or (2) owns ten percent (10%) or more or \$5,000 or more of the fair market value of the business entity, or (3) has received from the business entity funds which exceed ten percent (10%) of the official's gross income for the prior year.
- 5.01.03. A substantial interest in real property exists when the official has an equitable or legal interest in such property which has a fair market value of \$2,500 or more.
- 5.01.04. A local public official means a member of the City Council or other official of the City, paid or unpaid, who exercises responsibilities which are more than advisory only. A business entity means any entity recognized by law.
- 5.01.05. It is an offense for a local public official to act as a surety for a business entity that is contracting with the City, or to act a surety on any official bond required of an officer of the City. §171.003.
- 5.01.06. A local public official is considered to have a substantial interest if a person related to the official in the first degree by consanguinity or affinity has a substantial interest. §171.002(c).
- 5.01.07. The provisions of §171.001 et seq., are IN ADDITION to any other municipal charter provisions or municipal ordinances defining and prohibiting conflicts of interest.

**CODE OF ETHICS OF
THE CITY OF TOMBALL, TEXAS**

5.02. Bribery.

It is unlawful for a City official to accept or agree to accept (1) any benefit as consideration for a decision, opinion, recommendation, vote, or other exercise of discretion as a public servant or (2) any benefit as consideration for a decision, vote, recommendation, or other exercise of official discretion in a judicial or administrative proceeding, or (3) any benefit as consideration for a violation of a duty imposed by law on a public servant. §36.02, Penal Code.

5.03. Gifts to Public Servants.

5.03.01. It is unlawful for a City official to solicit, accept, or agree to accept any benefit from a person the official knows is subject to regulation, inspection, or investigation by the official or the City. §36.08(a), Penal Code.

5.03.02. In the event of litigation involving the City, it is unlawful for any City official to solicit, accept, or agree to accept any benefit from a person against whom the official knows litigation is pending or contemplated by the official or the City. §36.08(c), Penal Code.

5.03.03. It is unlawful for a City official who exercises discretion in connection with contracts, purchases, payments, claims, or other pecuniary transactions of government to solicit, accept, or agree to accept any benefit from a person the official knows is interested in or likely to become interested in any contract, purchase, payment, claim, or transaction involving the exercise of his discretion. §36.08(d), Penal Code.

5.03.04. It is unlawful for a City official who has judicial or administrative authority, is employed by or in a tribunal having judicial or administrative authority, or who participates in the enforcement of the tribunal's decision, to solicit, accept, or agree to accept any benefit from a person the official knows is interested in or likely to become interested in any matter before the official or tribunal. §36.08(e), Penal Code.

5.03.05. Exceptions to Gifts to Public Servants.

The provisions of §36.08, Penal Code, described above, do not apply to (1) fees prescribed by law to be received by the public official or any other benefit to which the official is lawfully entitled and for which the official has given legitimate consideration; (2) gifts or other benefits conferred on account of kinship or personal, professional, or business relationships independent of the official's status with the City; (3) certain honorariums in consideration of legitimate services; (4) benefits consisting of food, lodging, transportation, or entertainment accepted as a guest and reported as required by law; or (5) benefits for which statements must be filed pursuant to §251.011 and §251.012, Texas Election Code, if the benefit and source of any benefit exceeding fifty dollars (\$50.00) is reported and the benefit is used solely to defray expenses which accrue in the performance of duties or activities in connection with the office which are nonreimbursable by the City. §36.10, Penal Code.

5.04. Tampering with Governmental Records.

It is unlawful for any person to knowingly make a false entry in, or false alteration of, a governmental record, or to make, present, or use any record, document, or thing with knowledge of its falsity with the intent that it be taken as a genuine governmental record, or to intentionally destroy, conceal, remove, or otherwise impair the verity, legibility, or availability of a governmental record. §37.10, Penal Code.

5.05. Impersonating Public Servant.

It is unlawful for any person to impersonate a City official with intent to induce another to submit to his pretended official authority or to rely on his pretended official acts. §37.11, Penal Code.

5.06. Misuse of Official Information.

It is unlawful for a City official, in reliance on information to which he has access as a result of his office and which has not been made public, to acquire or aid another in acquiring a pecuniary interest in any property, transaction, or enterprise that may be affected by the information or to speculate or aid another in speculating on the basis of the information. §39.03, Penal Code.

5.07. Disrupting Meeting or Procession.

It is unlawful for any person, with intent to prevent or disrupt a lawful meeting, to obstruct or interfere with the meeting by physical action or verbal utterance. §42.05, Penal Code.

**CODE OF ETHICS OF
THE CITY OF TOMBALL, TEXAS**

5.08. Official Oppression.

It is unlawful for a City official to intentionally subject another to mistreatment or to arrest, detention, search, seizure, dispossession, assessment, or lien that he knows is unlawful, to intentionally deny or impede another in the exercise or enjoyment of any right, privilege, power, or immunity, knowing his conduct is unlawful, or to intentionally subject another to sexual harassment. §39.02, Penal Code.

5.09. Official Misconduct.

It is unlawful for a City official, with intent to obtain a benefit or with intent to harm another, to intentionally or knowingly violate a law relating to his office or employment or to misapply any thing of value belonging to the government that has come into his custody or possession by virtue of his office or employment. §39.01, Penal Code.

5.10. Nepotism.

It is unlawful for any City official to appoint, or vote for the appointment, to any office, employment or duty, of any person related within the second degree by affinity or within the third degree by consanguinity to the person so appointing or so voting, or to any other member of a board or governing body to which the person so voting or appointing may be a member, when the salary, fees, or compensation of such appointee is to be paid out of public funds. An exception is provided for persons who have been continuously employed in such office, employment or duty for the following periods prior to the election or appointment, as applicable, of the officer or member related to such employee in the prohibited degree: (1) at least thirty (30) days, if the officer or member is appointed, or (2) at least six (6) months, if the officer or member is elected.

When a person is allowed to continue in an office, position, or duty because of an exception above, the officer who is related to such person in the prohibited degree shall not participate in the deliberation or voting upon the appointment, reappointment, employment, confirmation, reemployment, change in status, compensation, or dismissal of such person, if such action applies only to such person and is not taken with respect to a bona fide class or category of employees. Art. 5996a, Tex. Rev. Civ. Stat. Ann.

5.11. Disclosure of Interest in Property.

It is unlawful for a City official, or a person elected, appointed, or employed as a City official but for which office such person has not yet qualified, to fail to make public disclosure of any legal or equitable interest he may have in property which is acquired with public funds, provided such official has actual notice of the acquisition or intended acquisition. The public disclosure required is the filing of an affidavit with the county clerks of all counties in which the property is located and wherein the official resides at least ten (10) days prior to the acquisition. Art. 6252-9e, Tex. Rev. Civ. Stat. Ann.

6.0. Violations.

6.01. Any person violating any standard contained in Article 4.0 above shall be deemed guilty of a misdemeanor and, upon conviction thereof shall be fined in an amount not to exceed \$500. Each day of violation shall constitute a separate offense.

6.02. Penalties for violations of conduct described in Article 5.0 above are as set forth in the applicable statutory provision.

Section 7.0. Publication; Effective Date; Open Meetings.

The City Secretary of the City of Tomball, Texas, is hereby directed to publish this Ordinance in the official newspaper of the City of Tomball, Texas, in compliance with the provisions of Section 6.14(A) of the City Charter, which publication shall be sufficient if it contains the caption of this Ordinance. This Ordinance shall be effective after the publication requirement of the City Charter is satisfied.

It is found and determined that the meetings at which this Ordinance was considered were open to the public, as required by Article 6252-17, V.A.T.C.S., and that advance public notice of the time, place, and purpose of the meetings was given.

Section 8.0. **Severability.** In the event any section, paragraph, subdivision,

clause, phrase, provision, sentence, or part of this Ordinance or the application of the same to any person or circumstance shall for any reason be adjudged invalid or held unconstitutional by a court of competent jurisdiction, it shall not affect, impair, or invalidate this Ordinance as a whole or any part or provision hereof other than the part declared to be invalid or unconstitutional, and the City Council of the City of Tomball, Texas, declares that it would have passed each and every part of the same notwithstanding the omission of any such part thus declared to be invalid or unconstitutional, or whether there be one of more parts.

Section 9.0. Rights and Remedies; Repeal; Code of Ordinances.

All rights and remedies which have accrued in favor of the City under this chapter and its amendments shall be and are preserved for the benefit of the City.

All ordinances in force when this Ordinance becomes effective and which ordinances are inconsistent herewith or in conflict with this Ordinance are hereby repealed, insofar as said ordinances are inconsistent or in conflict with this Ordinance.

The provisions of this Ordinance shall be included and incorporated as an amendment to the Code of Ordinances of the City of Tomball, Texas, and shall be appropriately renumbered to conform to the uniform numbering system of the Code.

FIRST READING:

READ, PASSED, AND APPROVED AS SET OUT BELOW AT THE MEETING OF THE CITY COUNCIL OF THE CITY OF TOMBALL, HELD ON THE 3rd DAY OF May, 1993.

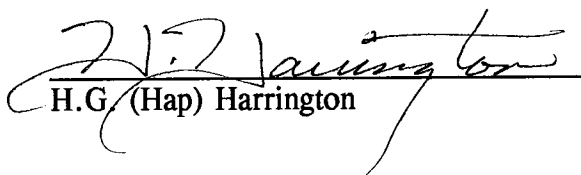
**CODE OF ETHICS OF
THE CITY OF TOMBALL, TEXAS**

COUNCILMAN FORD	<u>AYE</u>
COUNCILMAN WILEY	<u>AYE</u>
COUNCILMAN MATHESON	<u>AYE</u>
COUNCILMAN OLDHAM	<u>AYE</u>
COUNCILMAN WOOD	<u>AYE</u>

SECOND READING:

READ, PASSED, APPROVED, AND ADOPTED AS SET OUT BELOW AT THE MEETING OF THE CITY COUNCIL OF THE CITY OF TOMBALL, HELD ON THE 17th DAY OF May, 1993.

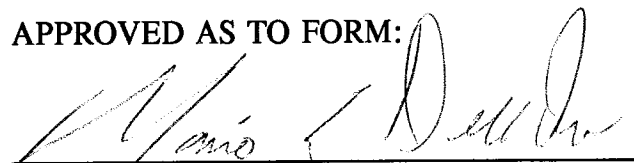
COUNCILMAN FORD	<u>AYE</u>
COUNCILMAN WILEY	<u>AYE</u>
COUNCILMAN MATHESON	<u>ABSENT</u>
COUNCILMAN OLDHAM	<u>AYE</u>
COUNCILMAN WOOD	<u>AYE</u>


 H.G. (Hap) Harrington

ATTEST:


 Mary Reagan, City Secretary

APPROVED AS TO FORM:


 Mario L. Dell'Osso
 Olson & Olson
 Attorneys For The City of Tomball

CODE OF ETHICS OF
 THE CITY OF TOMBALL, TEXAS