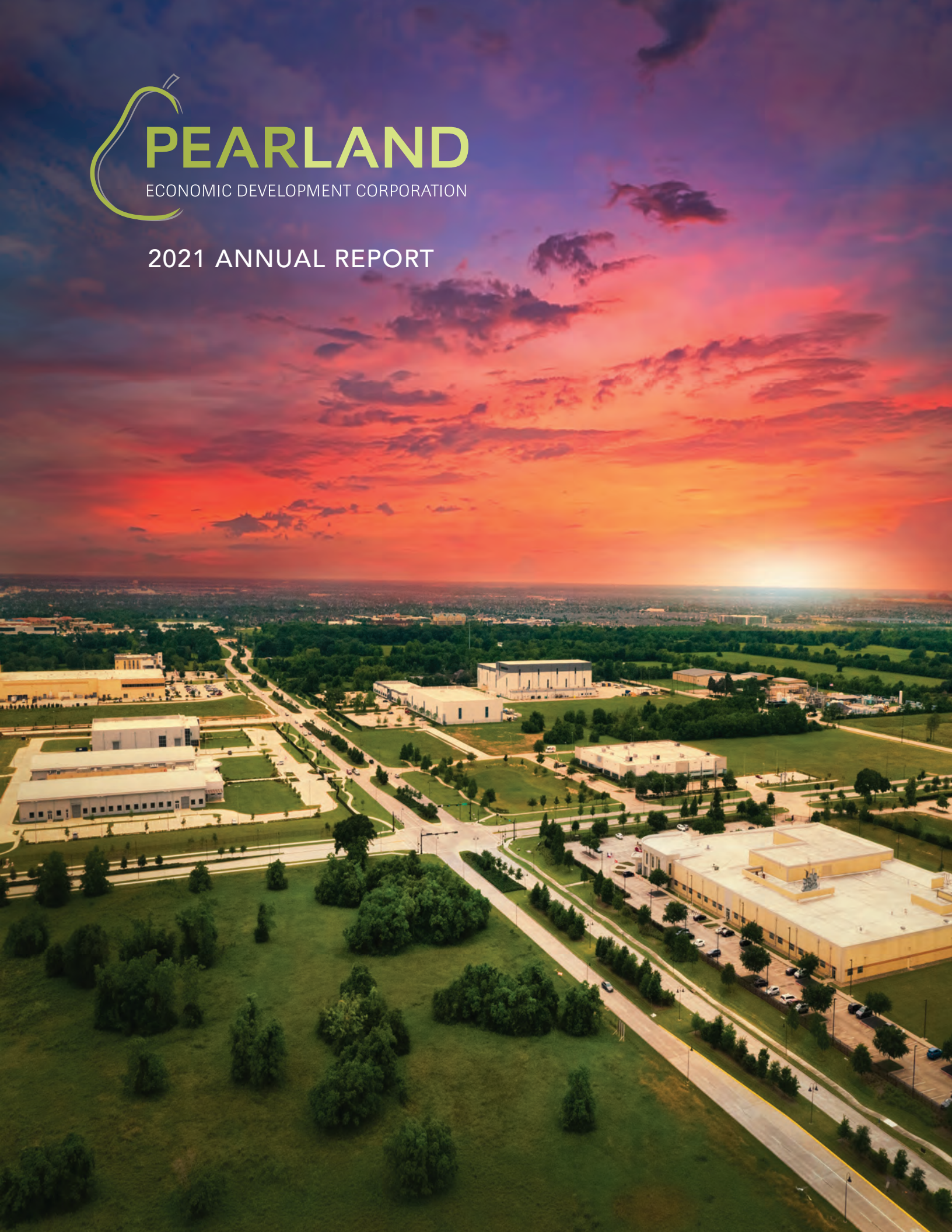




2021 ANNUAL REPORT





Greetings friends, colleagues, and community partners,

As the principal economic development organization for our community, the Pearland Economic Development Corporation (PEDC) is proud to be an integral part of the outstanding community we serve. Over the past year, PEDC has worked diligently to create jobs and capital investment, improve infrastructure and mobility, and enhance quality-of-life and quality-of-place amenities for our residents. These efforts help create a compelling community for companies to grow and a destination for attracting skilled workers.

In 2021, PEDC partnered with companies to bring more than 300 new jobs and \$22 million in investments to the community. This included the grand opening of HCA's new Center for Clinical Advancement and the groundbreaking for Millar's new headquarters facility. We also assisted local employers, such as Lonza, with expansions and partnered with a company on the redevelopment of the former gas station site on the corner of Broadway/FM 518 and State Highway 35.

PEDC continued to spearhead implementation of the Pearland Prosperity Strategic Plan, working with community partners to make progress on all the plan's focus areas. Highlights include developing an entrepreneurship hub and a workforce development strategy, continuing infrastructure improvements in Lower Kirby and along State Highway 35, and launching the final phase of beautification efforts along the State Highway 288 corridor.

As we move into 2022 and the years beyond, PEDC will continue to seek opportunities to accomplish projects that advance our community's shared vision for sustained and strategic growth. We will also continue our focus on economic diversification, positioning Pearland as a dynamic job center with a base of primary employers that bring new wealth into our community, while continuing to acknowledge the importance of Pearland's local-serving business sectors.

PEDC's Board of Directors and staff wish to thank the community for its support throughout the years. We look forward to ensuring Pearland remains a community of choice in the Houston region.

Sincerely,

Mona Chavarria
Chair, PEDC

Should you have any questions, comments, or concerns regarding this report, please contact the PEDC at 281-997-3000 or info@pearlandedc.com.

PEARLAND PROSPERITY

In 2019, PEDC championed a new strategic economic development plan effort, aligning with local government, education, healthcare, and business entities to focus on key issues such as business development, infrastructure, quality of life, and quality of place. The Pearland Prosperity Strategic Plan, adopted in 2020, details a strategic focus of resources on infrastructure improvements and economic growth, as well as an emphasis on quality-of-life benefits for all residents.

The Pearland Prosperity Strategic Plan culminates in two overarching goals: economic growth/diversification and ensuring Pearland remains a community of choice in greater Houston. These goals are pursued through several strategic initiatives grouped into seven, high-level focus areas: Business Development, Business Formation and Early-Stage Growth, Site Development, Corridors, Infrastructure and Mobility, Quality of Life and Quality of Place, and Workforce and Talent.

As you'll see throughout this report, the Pearland Prosperity Implementation Committee has worked consistently since the plan's adoption to implement all of its focus areas and strategic initiatives.

To view the full plan and implementation progress updates, visit www.pearlandprosperity.com.



Sustaining economic prosperity and ensuring long-term competitiveness must be built on a foundation of strong local assets, identification of priorities, and expectations of action. As Pearland continues to prosper, it is essential that its growth is guided by a strong economic development vision. PEDC has a central role in carrying out the economic development activities of the community. It has continually developed and implemented strategic plans with specific objectives and goals to ensure progress toward achieving its vision.

BUSINESS DEVELOPMENT



MILLAR, INC. BREAKS GROUND ON NEW HEADQUARTERS FACILITY IN LOWER KIRBY DISTRICT

In December, Millar, Inc. broke ground on its new headquarters and manufacturing facility in Pearland's Lower Kirby District. Millar, Inc. is a leading developer and manufacturer of pressure sensor-enabled devices. It partners with global leaders in technology, manufacturing, and healthcare to turn breakthrough technologies into life-saving medical innovations. Founded in 1969, Millar, Inc. pioneered the development of pressure-sensor technology, directing its design and manufacturing expertise toward integrating that technology into catheters for life sciences and clinical applications.

PEDC began working with Millar, Inc. in 2017 on its relocation to Pearland. The five-acre site the company selected for its facility was part of a tract owned by PEDC located on Kirby Drive just south of Beltway 8. PEDC sold the tract to Millar. Once complete, the 56,000 square-foot headquarters and manufacturing facility will house the company's R&D and warehouse functions and will be home to approximately 120 employees.



HCA HOUSTON HEALTHCARE OPENS NEW TRAINING CENTER AT PEARLAND TOWN CENTER

In June, HCA Houston Healthcare celebrated the grand opening of its Center for Clinical Advancement at Pearland Town Center.

The PEDC and city officials began recruitment efforts for this project with HCA and CBL & Associates in 2018. The 48,400-square-foot, state-of-the-art training center houses high-fidelity hospital simulation labs, connected classrooms, and de-briefing rooms where the health system's nearly 7,000 nurses will receive ongoing clinical education and training. The center also serves as a hub for all HCA Houston Healthcare new-hire orientations and the division's Leadership and Organizational Development training.

LONZA'S PEARLAND CAMPUS CONTINUES TO GROW

Lonza opened the world's largest dedicated gene and cell therapy manufacturing facility in Pearland's Lower Kirby District in April 2018. Today, the 300,000-square-foot facility continues to grow. The company had multiple expansions in 2021, including the construction of additional clean rooms. Lonza also acquired a 19-acre parcel of land south of the current facility for possible future growth. Since the facility's opening in 2018, Lonza has grown from around 150 to more than 600 employees.



PEDC CONDUCTS LOCAL BUSINESS SURVEY

As part of the Business Development focus area of the Pearland Prosperity Strategic Plan, PEDC continually works to "help existing businesses grow and thrive through a collaborative, action-oriented approach to business retention and expansion. "One of the action items under this focus area was to create an online business survey of all Pearland businesses. In July, PEDC partnered with Polco, which administers the city's resident survey, to conduct this new business survey.

Takeaways from the survey:

- Pearland is a great place to live, work, and operate a business. The majority (about 92%) of business owners and managers surveyed recognize the quality of life offered in the community and would recommend people to live in Pearland. They also noted the city's suitability for children and families, noting it as "excellent" or "good."
- Pearland businesses appreciate the business climate and community amenities provided in the city. More than 80% of survey respondents gave "excellent" or "good" marks to Pearland as a place to do business, which is higher than the national comparison. Nine out of 10 respondents would recommend working in Pearland and plan to keep their business in the community for the next five years.



PEARLAND PROSPERITY IMPLEMENTATION CONTINUES



PEARLAND TO CREATE ENTREPRENEURSHIP HUB FOR COMMUNITY

Business Formation and Early-Stage Growth is the second focus area of the Pearland Prosperity Strategic Plan. It includes strategic initiatives to ensure that Pearland's business climate and support services are optimized for enterprise formation and growth, including establishment of an entrepreneurship hub. In 2020, PEDC began evaluating the feasibility of this idea. It determined there is a market for an entrepreneurship hub that focuses on enhancing (versus replacing) the current services available to support entrepreneurs and small business owners in Pearland. In April 2021, the PEDC Board of Directors, along with the Pearland Prosperity Implementation Committee and Chamber Board of Directors, voted to move forward with the creation of an entrepreneurship hub.

In November 2021, PEDC selected The Cannon Workplace, LLC to create and implement the Pearland Innovation Hub. The hub will create events, programs, and activities to inspire ideation and innovation among entrepreneurs and small business owners. It will also connect the city to local and regional entrepreneurship assistance programs, service providers, and funding sources to ensure local entrepreneurs and small businesses can maximize their growth potential and overall success. Offerings will include business plan competitions, proactive coaching, networking events, and student programs to encourage entrepreneurship.

PEDC CHAMPIONS WORKFORCE DEVELOPMENT PLAN

Workforce and Talent, the seventh focus area in the Pearland Prosperity Strategic Plan, serves to connect and enhance Pearland's talent pipeline through a collaborative approach. PEDC partnered with Thomas P. Miller and Associates (TPMA) to create a Workforce Development Action Plan for the community. The process was led by a steering committee of individuals from local employers, K-12 and higher education, community-based organizations, workforce development, and other areas. TPMA conducted stakeholder interviews with local businesses, business associations, and workforce & education partners to identify how efforts can be better aligned as well as challenges and opportunities for collaboration and shared interest.

The final plan was approved by the Pearland Prosperity Implementation Committee and PEDC Board of Directors in late 2021. It addresses workforce skills gaps, career planning and work-based learning opportunities, diversity and inclusion, and development of young professionals. PEDC plans to hire a workforce director in early 2022 to oversee plan implementation.



Before

REDEVELOPMENT OF STATE HIGHWAY 35 CORRIDOR CONTINUES

Corridors are a focus area of the Pearland Prosperity Strategic Plan, with a specific initiative to implement the State Highway 35 Corridor Redevelopment Strategy. As part of Catalyst 2 Business Park North, the strategy identified the Rice Drier/Halik area as a potential place to better position properties in this area for development and to drive more investment. As Pearland has grown, the area has developed into a light industrial base that creates heavy demands on narrow roads not designed for such use. Both Halik Street and Rice Drier Road needed to be upgraded from asphalt to concrete, along with improved stormwater drainage to handle the increase of light industrial traffic.

Reconstruction of Rice Drier Road was completed in 2021. The waterline and the open, roadside ditches were replaced with curb and storm sewers, thereby improving the area's surrounding condition and appearance.



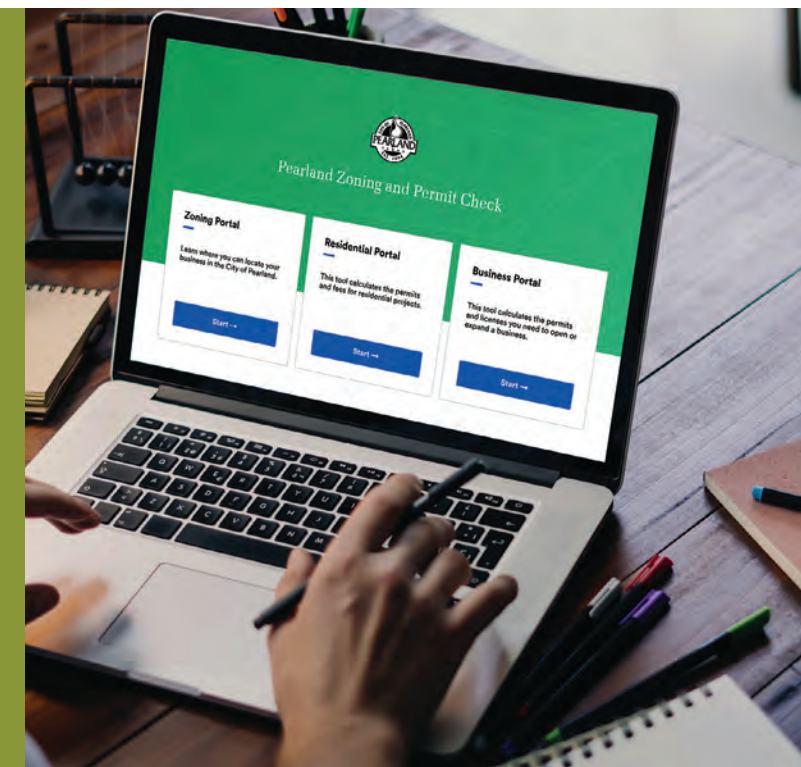
After

Pedestrian access with a sidewalk, decorative paver strip and street lighting was also added. In 2021, construction began on the final phase of this project, the reconstruction of Halik Road. Funded by PEDC, the total cost of this road project is approximately \$3.6 million and should be complete in spring 2022.

Scooter's Coffee, a national chain, redeveloped a dilapidated former gas station at the corner of Broadway/FM 518 and State Highway 35 and constructed a store on the 20,000 square-foot lot. Demolition on the site began in early February, and the store opened in August. PEDC partnered with the developer to make public improvements on the street and sidewalk that will complement the corridor enhancements that have been made over the past several years.

PEDC AND CITY LAUNCH ONLINE DEVELOPMENT PORTAL

Another strategic initiative under the Business Development focus area was to "develop a 'one-stop' website with excellent mobile functionality to serve as a 'virtual front door' for starting or expanding a business in Pearland." PEDC partnered with the city's community development department and OpenCounter to develop and launch an online interface for the city's zoning and permitting process. The portal, which launched in June, leverages technology to improve the customer experience and assist businesses and residents with a better understanding of the city's development rules. The portal can be accessed at www.developingpearlandtx.gov.



PEARLAND PROSPERITY IMPLEMENTATION CONTINUES



FINAL PHASE OF 288 CORRIDOR BEAUTIFICATION UNDERWAY

Over the past 25 years, the State Highway 288 corridor has transformed from a rural area to a major commercial center with millions of square feet of retail, office, multiple hospitals, and high-quality residential development. Recognizing the importance of the corridor, the city, PEDC, and businesses in the area jointly developed a master plan in 2014 that identified needed improvements to enhance the corridor's appearance and infrastructure, as well as to complement the nearly \$1 billion investment resulting from the recent 288 managed toll lane project.

Implementation of the 288 Master Improvements Plan is a key focus area in the Pearland Prosperity Strategic Plan. It is being executed through a partnership between the city, PEDC, Pearland Municipal Management District No. 2, Brazoria County Toll Road Authority, Brazoria County, Texas Department of Transportation, and Blue Ridge Transportation Group. All these entities have entered into various agreements regarding construction and maintenance of the outlined improvements.

The first three phases of improvements were incorporated into Brazoria County's managed toll lanes construction plans and completed in 2021. They include brick pavers, wet and dry detention ponds, bridge and barrier painting, decorative form liners, lighting conduit, pond edging, pear sculpture foundations, and upgraded decorative signal poles. In November, an \$18 million contract was awarded for the final phase of the State Highway 288 Master Plan Improvements from Beltway 8 to Magnolia. These improvements include landscape elements, irrigation, lighting, water fountains, pear sculptures, sidewalks, and gateway markers. Construction will start in early 2022 on the final phase of improvements, which should be complete in 2023. PEDC is funding the entire \$24.1 million cost of the 288 Corridor Master Plan Improvement.

CONTINUED INFRASTRUCTURE IMPROVEMENTS IN LOWER KIRBY

Throughout 2021, PEDC and the city continued to work with management districts and developers in Lower Kirby to improve infrastructure and amenities in the area.

Through a collaboration between America Modern Green, the city, PEDC, and the Lower Kirby Pearland Management District (LKPMMD), a public park and trail system are being incorporated into the Ivy development in Lower Kirby. Construction is complete on the public park and amenities surrounding the East Conveyance Pond at the Ivy development, including a trail along Clear Creek. This trail will serve the active and passive recreation needs of those who live, work, or visit within the District. In August, a pedestrian bridge was installed over Clear Creek to provide access to shopping, business areas, and the West Pearland Library.

A key priority of the Lower Kirby Master Plan was the implementation of a regional drainage and detention plan. In 2021, PEDC led efforts to develop a second phase of the master drainage plan for Lower Kirby, in coordination with the city, LKPMMD, and Texas Department of Transportation. In addition, construction is slated for Laterals 2 & 3 to transport storm drainage from the area west of Kirby Drive to the regional detention pond. With pending developments in the area, PEDC began coordinating with LKPMMD on the design of the laterals, which are under construction and scheduled for completion in spring 2022. The District-funded lateral project will add a total of 2,000 feet of pipe with an expected cost of \$1.2 million.



BIZCONNECT PROGRAM



PEDC recognizes the significant impact that local businesses have on a community. For this reason, it developed a business retention and expansion program that focuses on the needs and interests of existing businesses in the area. PEDC’s BizConnect program, established in conjunction with the Pearland Chamber of Commerce, addresses issues businesses face and places an emphasis on creating a stable business environment. The retention program brings expertise to our local employers in areas such as:

- Expansion assistance
- Financing
- Workforce development
- Tax incentives
- Sites and buildings
- State and local resources

The BizConnect team visits with businesses and shares available resources, while also addressing any issues or needs our business community might have. In 2021, BizConnect conducted more than 40 on-site visits with local employers. It also held numerous educational seminars, luncheons, and plant tours.



MISSION STATEMENT

The Pearland Economic Development Corporation (PEDC) is committed to enhancing our community’s economic vitality through the attraction, retention, and expansion of primary employers. PEDC works to ensure our business climate and built environment strongly support these efforts by focusing on aesthetics, infrastructure, quality of life, image, workforce, and quality development and redevelopment of key Pearland districts and corridors.

PEDC FINANCIALS

	LAST YEAR: 2021	CURRENT YEAR: 2022
OPERATING REVENUES		
Sales Tax	12,877,864	11,799,344
Interest Income	75,879	100,000
Intergovernmental	12,000	12,000
Miscellaneous ¹	7,568,775	6,000
TOTAL	20,534,518	11,917,344
EXPENDITURES		
Operating ²	2,317,826	3,493,272
Incentives	1,562,825	1,529,890
Transfers to City ³	1,105,080	19,025,209
Capital Outlay/Infrastructure	460,999	3,770,000
Inventory	0	5,000
Bond Payments	285,400	279,500
TOTAL	5,732,130	28,102,871
NET CHANGE IN FUND BALANCE	14,802,388	(16,185,527)
FUND BALANCE - BEGINNING	22,474,393	37,276,781
FUND BALANCE - ENDING	37,276,781	21,091,254

1 - Sale of building at 14740 Kirby Drive
2 - Operating expenditures include salaries, supplies, rent, marketing, and strategic plan implementation services
3 - Includes \$15.9 million in 2022 for State Highway 288 Master Plan Improvements

The PEDC was created in 1995 as a nonprofit, Type B corporation under the Texas Development Corporation Act. It is primarily financed by a half-cent sales tax collected in the City of Pearland. State law allows the city to collect this sales tax to pursue specifically authorized economic development activities in Pearland.

The seven members of the PEDC’s Board of Directors are appointed by and serve at the discretion of the Pearland City Council. The corporation’s annual budget is also approved by City Council.

OFFICERS AND DIRECTORS



Chavarria



Thumann



Lyle



Johnson



Selsky



Koza



Nambiar

Mona Chavarria, Chair, joined the PEDC board in 2014. She is the President/Owner of A&A Cleaning Services in Pearland. A member of the Pearland Rotary Club, she also serves as its treasurer. Other board service includes the Pearland ISD Education Foundation, the Silverlake Lions Club, and the City of Houston Mayor's Literacy Task Force. She also served as past chair and treasurer/secretary of the Pearland Chamber of Commerce, as well as president, vice president, and treasurer for the Adult Education Center.

Chad Thumann, Vice Chair, joined the PEDC board in 2018. He is currently the President of Sideline Investments, LLC. A member of the Pearland Lions Club, he previously served as its vice-president. He is also a board member for the Forgotten Angels Foundation and a committee member for both the Houston Livestock Show and Rodeo and the Pearland 100 Club. He previously served as a commissioner for Brazoria County Emergency Services District No. 4 and as a member of the Bond Oversight committee for Pearland ISD.

John Lyle, Secretary, joined the PEDC board in 2018. He is currently the Senior Vice President of Healthcare Service Lines for Kelsey Seybold Clinic. John has previously served as chair of the Pearland Chamber of Commerce and is also a board member for the Shadow Creek Ranch Commercial Property Association.

Antonio Johnson, PT, DPT, CDP, CDE, joined the PEDC board in 2019. He is currently the Director of Diversity, Equity, and Inclusion for Cantex Continuing Care Network. He is active in coordinating community service activities throughout Pearland as a member of the Pearland-Manvel-Fresno (TX) Alumni Chapter of Kappa Alpha Psi Fraternity, Inc and as a YET mentor with Alvin ISD.

David Selsky joined the PEDC board in 2020. He is currently the Director, Health, Safety and Environment for Pattern Energy. He is also a board director for the Pearland TIRZ Board #2, the Brazoria County Municipal Utility District 26, and the Shadow Creek Ranch HOA. A former City of Pearland Planning and Zoning Commission board member, David also serves as an advisory board member for the Alvin ISD Education Foundation.

Jerry Koza, Jr. joined the PEDC board in 2021. He is the Co-Owner of Profax/Lenco. He is also a board director for the Northern Brazoria County Education Alliance. A former City of Pearland Planning and Zoning Commission board member, Jerry previously served on the Pearland Charter Review Committee and as a board director for the American Welding Society Houston Section.

Randeep Nambiar joined the PEDC board in 2021. He is the Founder and CEO for Stellium Inc. He has previously worked in a leadership advisory role to develop technology innovation labs and refine industry standards with organizations such as Warehousing Education and Research Council, Supply Chain Council, Confederation of Indian Industries, Retail Association of India, and SAP Labs.

PEDC staff and leadership express their sincere appreciation to outgoing board members, Hugh Patton and Reid Wendell, for their service on the board and to our community.

EXECUTIVE STAFF

Matt Buchanan, President
Brian Malone, Vice President
Melissa Black, Director of Marketing
Valerie Marvin, Senior Development Manager
Jess Byerly, Development Manager
Roxanne Luna-Larsen, Office Coordinator

EX-OFFICIO MEMBERS

Kevin Cole, Pearland Mayor
Clay Pearson, Pearland City Manager
Jim Johnson, Pearland Chamber of Commerce President and CEO
Matt Buchanan, PEDC President



WWW.PEARLANDEDC.COM

PEARLAND: PREPARE TO LOVE IT!

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