



2022



ANNUAL REPORT

LETTER FROM OUR CHAIR



Greetings friends, colleagues, and community partners,

The Pearland community has always maintained a deliberate and forward-thinking approach to growth and economic diversification and, as our city's lead economic development organization, the Pearland Economic Development Corporation (PEDC) continually works to improve our community's attractiveness for jobs, talent, and investment. Throughout 2022, the PEDC attracted jobs and capital investment while improving infrastructure and mobility, along with quality of life and quality of place amenities for our residents – all with the goal of creating a compelling community for companies to grow in and a destination for skilled employees.

The PEDC led the Pearland Prosperity Strategic Plan's implementation, collaborating with community partners to make progress on all the plan's focus areas, including the Pearland Innovation Hub and our community's workforce development strategy; continued infrastructure improvements in Lower Kirby, along State Highway 35, and in Old Townsite; and the final phase of beautification efforts along the State Highway 288 corridor.

In 2022, the PEDC collaborated with businesses, bringing new jobs and investment, recruiting Syzygy Plasmonics to Pearland, and supporting the growth of existing businesses, both large and small. Additionally, we worked with several developers on manufacturing and distribution facilities in Lower Kirby and drainage improvements for a new residential development in Pearland's Old Townsite.

The PEDC will continue to focus on economic diversification as we move into 2023 and beyond. This allows us to position Pearland as a dynamic job center with a solid foundation of primary employers that bring new wealth into our community, while also recognizing the significance of Pearland's locally serving business sectors. And we will continue to seek opportunities that advance our community's shared vision for sustained and strategic growth.

I would like to personally thank the community for the opportunity to serve as Chair of the PEDC Board of Directors and on behalf of our entire board and staff, we wish to thank the community for its support over the past year and look forward to ensuring Pearland remains a community of choice in the Houston region.

A handwritten signature in black ink, appearing to read "Chad Thumann". The signature is fluid and cursive, with a long horizontal stroke at the end.

Chad Thumann
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 STRATEGIC PLAN

PEARLAND PROSPERITY

The Pearland Prosperity Strategic Plan, adopted in 2020, details a strategic focus of using resources on infrastructure improvements and economic growth, as well as an emphasis on quality-of-life benefits for all our residents.

The Pearland Prosperity Strategic Plan is built upon two overarching goals: economic growth and diversification as well as ensuring that Pearland is a community of choice in greater Houston.

As you'll see throughout this report, the Pearland Prosperity Implementation Committee has worked consistently to realize the plan's focus areas and strategic initiatives, which are grouped into the following 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.

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.

Implementation Highlights Since the Plan's Adoption

- Recruitment of more than 750 jobs and \$110 million in capital investment
- Pearland Innovation Hub
- Workforce Strategy Action Plan
- Zoning and Permit Check Tool
- State Highway 288 Corridor Master Plan Improvements
- Lower Kirby Regional Detention System Expansion
- "Prepare to Love It" Marketing Campaign
- FM 518/Broadway Corridor Development Plan
- City Gateway Entry Features

BUSINESS DEVELOPMENT



PEARLAND LAUNCHES PEARLAND INNOVATION HUB

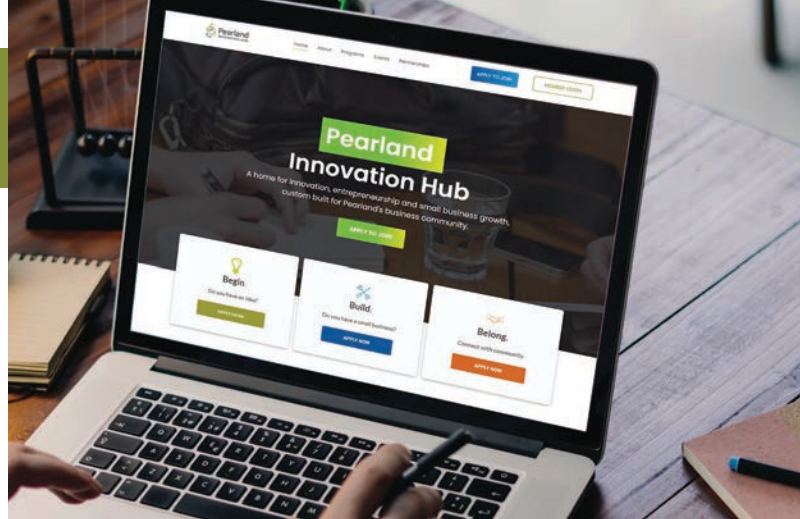
Starting in May, Pearland entrepreneurs and small business leaders were able to take advantage of an exciting new tool in our community. As part of the Pearland Prosperity Strategic Plan, the PEDC launched the Pearland Innovation Hub to connect local entrepreneurs and small businesses with the resources they need to grow and succeed; provide valuable programming, events, and resources; and establish partnerships entrepreneurs need to start, scale, and sustain their business.

The Pearland Innovation Hub cultivates the area's entrepreneurship culture through networking events and activities geared to the unique needs of startups

SYZYGYP LASMONICS SELECTS PEARLAND FOR NEW HEADQUARTERS, R&D, AND MANUFACTURING FACILITY

In May, Syzygy Plasmonics announced it is leasing the former Industrial Polymers building from Welcome Group. Located at 3250 S. Sam Houston Parkway, the 44,800-square-foot building serves as the company's headquarters, research and development, and manufacturing site, and is home to approximately 100 employees.

Syzygy Plasmonics, a Houston-based startup founded in 2018, is pioneering a technology that produces clean, distributable hydrogen from various feedstocks. Syzygy's platform technology is based on a field of science called photocatalysis, where the company uses light from LEDs that are driven by renewable electricity to perform chemical reactions. Syzygy has an exclusive license



and small business owners – such as assistance programs, service providers, and funding sources to maximize their growth potential and overall success.

The PEDC worked with The Cannon Workplace, LLC to implement the hub and hire a Hub Navigator who oversees the daily operations. A newly created Advisory Board is working to establish the Pearland Innovation Hub as a non-profit corporation.

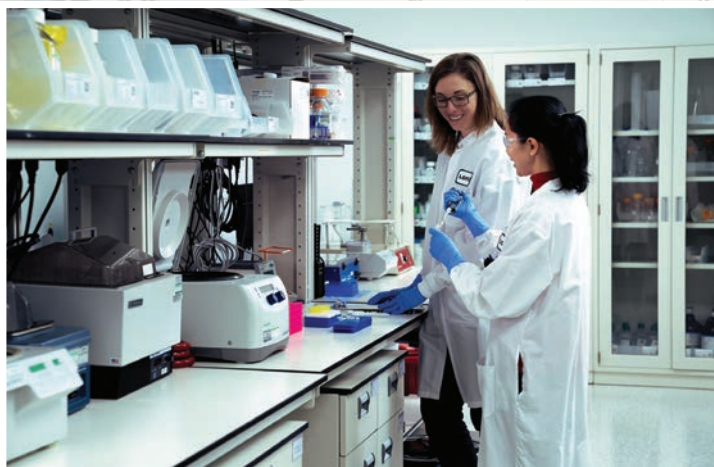
The Pearland Innovation Hub hosted its first Pitch Fest in November. Five teams competed for \$8,500 in prize money and were able to participate in a panel discussion on small business and start-up issues.

Learn more or join the hub at www.pearlandinnovationhub.com.



agreement with Rice University to bring its photocatalytic technology to market and strives to achieve its goal of preventing a gigaton of carbon dioxide from entering the atmosphere by 2040.

The PEDC and city officials began recruiting Syzygy to Pearland in 2021.



LIFE SCIENCES GROWTH CONTINUES IN LOWER KIRBY

The PEDC consistently worked to recruit a spectrum of life science and biotech organizations to the community, specifically within Lower Kirby. In 2022 those efforts paid off with continued growth and new projects in this area.

Lonza opened the world's largest dedicated gene and cell therapy manufacturing facility in Lower Kirby District in 2018 and continued its exponential growth in 2022. The company had multiple expansions, including an additional 15,000 square feet of cell and gene therapy process development laboratories. Since the facility's opening, Lonza has grown from around 150 to more than 900 employees at its 300,000-square-foot facility.

Healgen Scientific, a developer and manufacturer of in-vitro diagnostic test systems worldwide, announced plans to construct a 29,000-square-foot laboratory space in a two-story building at the corner of N. Spectrum Boulevard and Hooper Road. The PEDC began recruiting the project in early 2022. Healgen expects construction to begin in 2023.

ONE MILLION SQUARE FEET OF DISTRIBUTION PROJECTS UNDERWAY IN LOWER KIRBY

Developers announced four new distribution projects with more than one million square feet coming to Pearland's Lower Kirby District.

In November, Levey Group announced it will develop Levey Logistics Park, which will consist of two Class A industrial buildings that span approximately 650,000 square feet. Located on a 38-acre tract near the intersection of Beltway 8 and Almeda School Road, the cross-dock distribution building slated for the park is expected to be the largest spec logistics facility in Pearland. The PEDC and the City of Pearland began partnering with Levey Group in 2022 on the development, assisting with infrastructure required for the project. Currently in the design phase, construction is estimated to begin in 2023.

Naturesort, a privately held manufacturer and supplier of home interior products, is building a 21,500-square-foot office and distribution facility in Lower Kirby. The PEDC began working with Naturesort in 2021 and expects construction to be completed in 2024.

Additional distribution developments underway in Lower Kirby include Brennan Investment Group's 216,000-square-foot Class A distribution building south of North Spectrum Boulevard and Adkisson Group's proposed 128,250-square-foot distribution building at Beltway 8 and Hooper Road.

PEARLAND PROSPERITY IMPLEMENTATION CONTINUES



DRAINAGE, ROADWAY, AND WATER IMPROVEMENTS COMING TO PEARLAND'S OLD TOWNSITE

Pearland's Old Townsite is getting several infrastructure improvements ahead of future residential construction. Upgrades to drainage, water service, sanitary sewer, sidewalks, and roadways in the southeast quadrant are part of a \$5.3 million PEDC project. Through a public-private partnership agreement with Sullivan Brothers, the developer of a residential project south of Broadway and east of Main, the PEDC is funding \$4.5 million of the public infrastructure improvements.

Sullivan Brothers expects to break ground on new homes in summer 2023 on the 5.9-acre residential development, which consists of three vacant tracts. The development will include a mixture of 1900s-style one-story bungalows and two-story Southern row houses that range from 1,600 to 2,200 square feet and are expected to sell between the upper \$300,000s and the \$400,000s. The area surrounding the development consists of multi-family housing complexes, commercial and retail businesses, restaurants, and civic institutions.

The project is a redevelopment opportunity to increase economic activity in the Old Townsite and along SH 35, which is also one of the strategic initiatives of the Pearland Prosperity Strategic Plan. The State Highway 35 Redevelopment Strategy identifies the Old Townsite area as a catalyst opportunity to create a mixed-use

environment, including pedestrian and streetscape improvements, establish a destination for residents and visitors with commercial venues unique to the area, and grow Old Townsite's dining and shopping offerings.

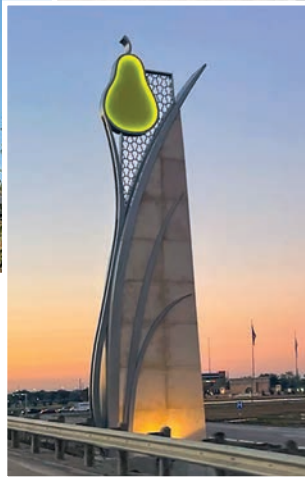
REDEVELOPMENT OF STATE HIGHWAY 35 CORRIDOR CONTINUES

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



Additionally, PEDC partnered with Orr Commercial on the redevelopment of the dilapidated property on the southwest corner of Rice Drier Road and SH 35. The PEDC funded the demolition through a reimbursement agreement with the developer. The property will be subdivided into three separate lots and made available for development in 2023.

In 2022, the third and final phase of the Rice Drier Redevelopment Area project, the reconstruction of Halik Road, was completed. Prior to this, the reconstruction of Rice Drier Road was completed in 2021. This project made improvements to the conditions and appearance of the area by replacing the waterline, sanitary sewer, and the open roadside ditches with curb and storm sewer and adding pedestrian access with a sidewalk and decorative paver strip. The road projects cost approximately \$3.6 million and were funded by the PEDC.



FINAL PHASE OF 288 CORRIDOR BEAUTIFICATION UNDERWAY

Construction started in early 2022 on the final phase of the State Highway 288 Corridor Master Plan Improvements. These improvements include landscape elements, irrigation, lighting, water fountains, pear sculptures, and sidewalks and gateway markers from Beltway 8 to Magnolia Parkway. The improvements are expected to be complete in 2023.

Over the past 25 years, the SH 288 corridor transformed from a rural area to a major commercial center with millions of square feet of retail, office space, two new hospitals, and high-quality residential development. Recognizing the importance of the corridor, in 2014 the City, the PEDC, and businesses in the corridor jointly developed a master plan that identified improvements to enhance the appearance and infrastructure of the corridor and complement the nearly \$1 billion investment in the corridor from the TxDOT's SH 288 Toll Lanes Project.

The implementation of the State Highway 288 Corridor Master Plan Improvements is a key focus area in the Pearland Prosperity Strategic Plan and is being implemented through a partnership between the City, the PEDC, and Pearland Municipal Management District #2. The PEDC is funding the entire \$24.2 million cost of the State Highway 288 Corridor Master Plan Improvements.

CONTINUED INFRASTRUCTURE IMPROVEMENTS IN LOWER KIRBY

Throughout 2022, PEDC and the City continued to work with management districts and developers in Lower Kirby to improve the area's infrastructure and amenities.

A key priority of the Lower Kirby District Master Plan was the implementation of a regional drainage and detention plan. In 2021, the PEDC led efforts to develop a second phase of the master drainage plan for Lower Kirby, coordinating with the City, Lower Kirby Pearland Management District, the Harris County Flood Control District, and TxDOT. The City and TxDOT approved the plan in 2022. Laterals 2 & 3 were constructed this year to convey storm water to the existing regional detention pond. Crews completed the construction of the West Conveyance Pond in 2022.

NEW CITY ENTRY FEATURE CONSTRUCTED ON SHADOW CREEK PARKWAY

In 2022, the PEDC completed construction of an entryway monument on the west end of Shadow Creek Parkway, just east of FM 521.

The Pearland Prosperity Strategic Plan outlines the need for city gateways to signal a sense of arrival and stronger identity for the community. In 2014, the PEDC completed a City Gateways Strategy that developed a conceptual entry monument along with identifying potential locations. Entry markers have been completed along Cullen Parkway, Dixie Farm Road, Pearland Parkway, Kirby Drive, Broadway on the eastern city limit, State Highway 35, and Scarsdale.



PEARLAND PROSPERITY IMPLEMENTATION CONTINUES



SUEBA BREAKS GROUND ON IVY LOFTS IN LOWER KIRBY

Sueba started construction on Ivy Lofts, a four story, 335-unit multi-family and retail development. Ivy Lofts is the first phase of the Ivy at Lower Kirby, America Modern Green's (AMG) mixed-use development at the southwest corner of South Spectrum Boulevard and the SH 288 frontage road in Lower Kirby. The Planned Development is proposed to include office, a continuing care retirement center, retail, condominiums, townhomes, and apartments.



PEDC CHAMPIONS WORKFORCE STRATEGY ACTION PLAN

Workforce and Talent, a key focus area in the Pearland Prosperity Strategic Plan, serves to connect and enhance Pearland's talent pipeline through a collaborative approach. In 2021, the PEDC partnered with Thomas P. Miller and Associates to create a Workforce Strategy Action Plan, which addresses workforce skills gaps, career planning and work-based learning opportunities, diversity and inclusion, and development of young professionals. Implementation kicked-off in 2022. A workforce director was hired to oversee the plan's implementation. Highlights of the first year's efforts

include the development of a workforce-based learning toolkit for local employers and a job fair held in partnership with the Pearland Chamber of Commerce and the Workforce Solutions Pearland Career office that attracted more than 300 prospective employees.

The PEDC partnered with the Pearland Chamber of Commerce to develop www.WorkInPearland.com, a virtual immersive platform for primary and businesses, community and education partners, and non-profits engaged in workforce development in Pearland. The platform, which launched in early 2023, is accessible year-round and offers a virtual job fair venue connecting employers and employees.

MILLAR, INC. NEW HEADQUARTERS FACILITY UNDERWAY IN LOWER KIRBY

In 2022, Millar, Inc. continued construction on its new headquarters, R&D, and manufacturing facility in Pearland's Lower Kirby District.

Millar is a leading developer and manufacturer of pressure sensor-enabled devices that partners with global leaders in technology, manufacturing, and healthcare to turn breakthrough technologies into life-saving medical innovations. Founded in 1969, the company 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.

The PEDC and City leaders began recruiting Millar to Pearland in 2017. The company selected a site for its facility that was part of a tract previously owned by the PEDC, which it sold to Millar. Located on a five-acre site on Kirby Drive just south of Beltway 8, the 56,000-square-foot facility will be home to approximately 120 employees when it opens in 2023.



BIZCONNECT PROGRAM AND EMPLOYER RETENTION



Recognizing the significant impact that local businesses have within a community, the PEDC developed a business retention and expansion program that focuses on the needs and interests of our area's existing businesses.

The BizConnect program, established in conjunction with the Pearland Chamber of Commerce, addresses issues that businesses face and places an emphasis on creating a stable business environment. BizConnect brings the following expertise to employers:

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

The BizConnect team builds relationships with businesses by conducting regular visits and sharing available resources, while also addressing any issues or needs the business community has.

In 2022, BizConnect visited more than 50 employers, held numerous educational seminars and luncheons, and provided assistance to Pearland's businesses.

In April, PEDC and the Pearland Chamber of Commerce co-hosted a BizConnect Workforce Summit for local employers. Attendees received an overview of the recently completed Workforce Strategy Action Plan.



MISSION STATEMENT AND FINANCIALS

PEDC 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

| | FY 2022 YEAR-END ACTUAL | FY 2023 AMENDED BUDGET |
|-----------------------------------|-------------------------------|------------------------------|
| OPERATING REVENUES | | |
| Sales Tax | 14,250,278 | 13,989,302 |
| Interest Income | 347,394 | 18,554 |
| Intergovernmental | 12,000 | 12,000 |
| Miscellaneous | 2,245,823 | 1,306,000 |
| TOTAL | 16,855,495 | 15,325,856 |
| EXPENDITURES | | |
| Operating* | 2,985,028 | 3,764,987 |
| Incentives | 954,361 | 1,256,379 |
| Transfers to City | 9,909,843 | 15,780,353 |
| Capital Outlay/Infrastructure | 294,886 | 6,424,447 |
| Inventory | 0 | 5,000 |
| Bond Payments | 279,500 | 273,600 |
| TOTAL | 14,423,618 | 27,504,766 |
| NET CHANGE IN FUND BALANCE | 2,431,877 | (12,178,910) |
| FUND BALANCE - BEGINNING | 37,276,840 | 39,708,717 |
| FUND BALANCE - ENDING | 39,708,717 | 27,529,807 |

*Operating expenditures include salaries, supplies, rent, marketing, and strategic plan implementation services.

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



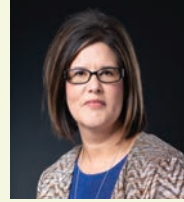
Thumann



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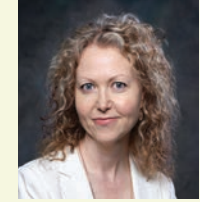
Chavarria



Bruns Clay



Graham



Hanks

Chad Thumann, Chair, joined the PEDC board in 2018. He is currently the President and CEO of Sideline Investments, LLC. He serves on the board of directors for the Lone Star Flight Museum, as a committee member for both the Pearland Prosperity Implementation Committee and Houston Livestock Show and Rodeo, and as a member and former vice president of the Pearland Lions Club. He has previously served as a commissioner for Brazoria County Emergency Services District No. 4, on the board of directors for the Forgotten Angels Foundation, and a member of the Bond Oversight Committee for Pearland ISD and the Pearland Citizens Drainage Committee.

Jerry Koza Jr, Vice Chair, 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 twice on the Pearland Charter Review Committee, the Pearland Citizens Drainage Committee, and as a board director for the American Welding Society Houston Section.

Randeep Nambiar, Secretary, joined the PEDC board in 2021. He is the Founder and Chief Executive Officer for Stellium Inc. He previously worked in a leadership advisory role at multiple Big 5 management and technology consulting firms. His industry experience helped to drive co-innovations with SAP Labs globally and develop technology innovation labs and refine industry standards with industry bodies like Warehousing Education and Research Council, Supply Chain Council, Confederation of Indian Industries, and Retail Association of India.

Mona Chavarria joined the PEDC board in 2014. She is the President/Owner of A&A Cleaning Services in Pearland. She serves as the treasurer of the Pearland Rotary Club. Mona's board service includes the Pearland ISD Education Foundation, the Silverlake Lions Club, and the City of Houston Mayor's Literacy Task Force. She was a committee member for the Pearland Prosperity Implementation Committee. She 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.

Michi Bruns Clay joined the PEDC board in 2022. She currently serves as the Regional Vice President for LiftFund. Michi is the Founder of Encompass Healthcare Management, Inc. and a founding member of the Greater Pearland Area Chapter of The Links Inc., where she is the chair of Services to Youth. Michi serves on the Pearland Prosperity Implementation Committee, is a facilitator in the Brazoria County focused STEMulation Academy and contributes to Keep Pearland Beautiful. She previously served with the Pearland Chamber of Commerce.

David Graham joined the PEDC board in 2022. A long-time Pearland entrepreneur, he currently serves as Chief Executive Officer for FranchiCzar, Valhallan, Iron 24, and Math Reactor; he is also the Managing Director for Graham Ventures. He serves on the Pearland Prosperity Implementation Committee and previously served on the Pearland Chamber of Commerce Board of Directors.

Dena Hanks joined the PEDC board in 2023. She is an interior designer and owner of Hanks Design Group. She is also a founding board member of the Pearland Leadership Foundation where she serves as vice-chair. Other board service includes the President of the Pearland ISD Education Foundation and the Pearland High School Academic Decathlon Booster Club. She served on multiple committees of the Pearland Chamber of Commerce and other previous service includes Pearland Library Advisory Board, Brazoria County Library and Foundation Board, Adult Education Center, Pearland ISD Long Range Planning Committee, and Women in Leadership in Pearland.

PEDC staff and leadership express their sincere appreciation to outgoing board members David Selsky, John Lyle, and Antonio Johnson for their service on the board and to our community.

STAFF

Matt Buchanan, President
Brian Malone, Vice President
Mou Sarkar, Workforce Director
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
Trent Epperson, Pearland Interim 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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