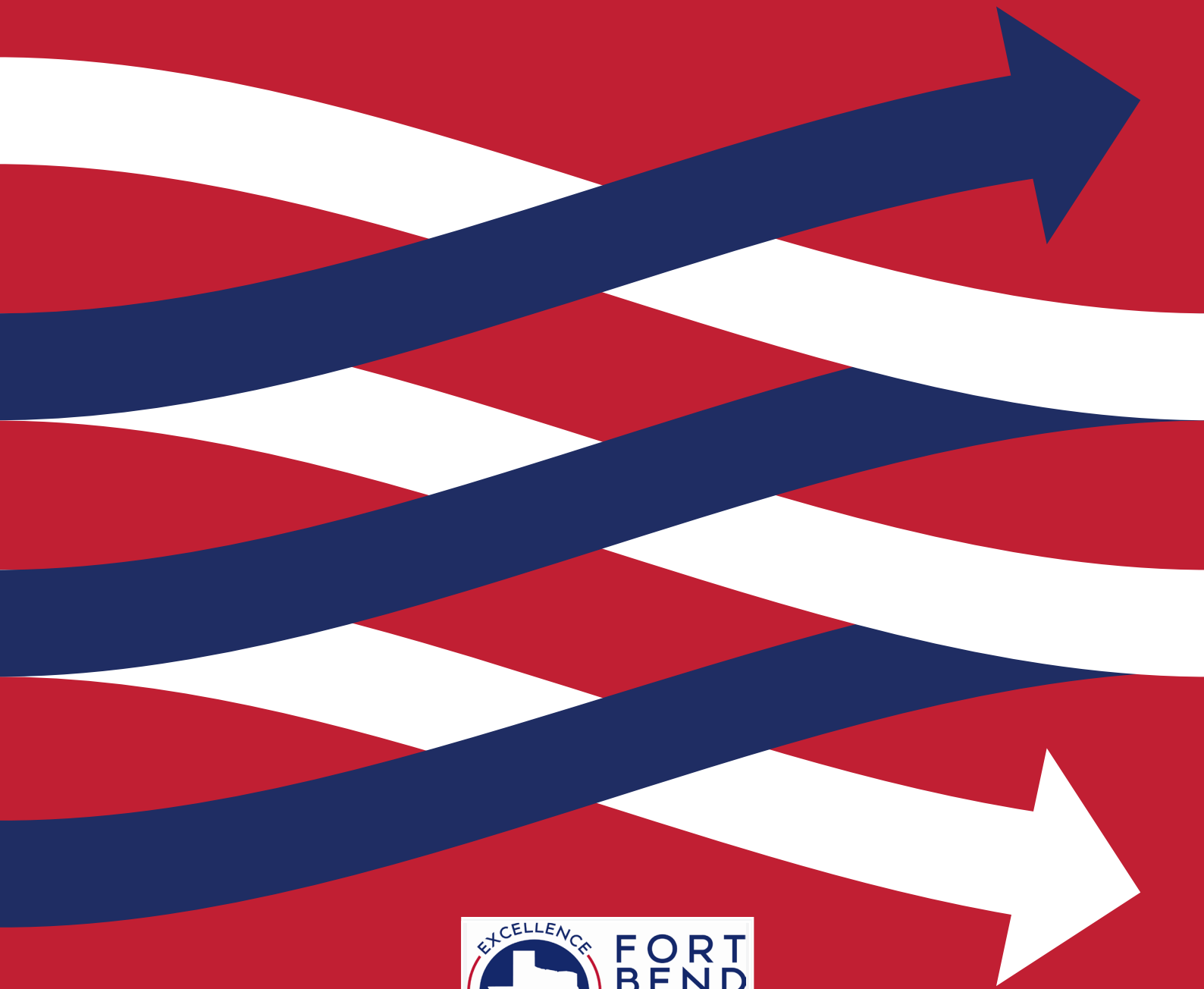


Report 20/21

Greater Fort Bend EDC
One Fluor Daniel Drive
Sugar Land
Fort Bend County
Texas, 77478





CONTENTS

What we do and how we do it

Chairman's Message	3
Executive Committee	4
President's Message	5
FBEDC Staff \ Chamber Leadership \ County-wide Economic Development Directors	6
FY 2020/2021 Year In Review	8
Small Business Grant Program	10
State of FB Commerical Markets	11
Fort Bend Marketing Program	12
Wattbridge. Amazon - Missouri City	14
Sage Dulles, Pepsico\Frito Lay	16
Biotics	18
Numbers that Excel - Key Statistics	19
Numbers that Excel - Population	20
Numbers that Excel - Education & Poverty	21
Numbers that Excel - Households & Diversity	20
Numbers that Excel - Housing	23
Numbers that Excel - Labor Force	24
GFBEDC Mission and Focus	25
87th Legislative Session	26
GFBEDC Membership - 2020	28



MESSAGE FROM THE CHAIRMAN

“E Pluribus Unum” out of many, one , is the traditional motto of the United States. Perhaps nowhere better than in Fort Bend County has this concept taken root. We have achieved in many respects the goals this organization , the County and Cities set out to achieve in the height of 1980’s Oil bust.

Certainly we have created a world class community. The data in this report affirms it. But growth brings with it challenges. We must remember, at the core, local governance is about taking care of people. Safety, security, good neighborhoods, education and recreation, local accountability, affordable and high quality communities remains the measure of highly valued and desired locations for business and residents alike.

For 35 years, the focus of this Organization, working with its partners and members, has been the same: cooperate, get along, focus efforts on what makes us better as a community, plan ahead and do the right thing. Above all pursue excellence and give the community our best efforts in fulfilling our mission, simple in design but difficult to execute. We have largely had the will to do so through public and private collaboration efforts which continue today. We must be cautious of influences that work to to divide rather than unite us if we are to maintain our continued competitive and comparative advantages as a community.

At a time where it is easy to be distracted by news, media and national politics that gains favor through division. We must always pursue the inverse and pull together no matter what differences we may have, working for the betterment of the county and its residents, all its residents. “E Pluribus Unum” and “Excellence” shall remain the focus of this organization.

Thank you to all the members of the board, members of the organization, County and City leaders, Economic Development Partners, the Executive Committee and the staff of the organization for your continued unwavering commitment to quality growth of our community.

Greater Fort Bend EDC

One Fluor Daniel Drive Sugar Land
Fort Bend County
Texas

No of Employees
4

Fiscal Year
July 2020 - June 2021

Countywide Economic Development
Council 35 years of pursuing Excellence

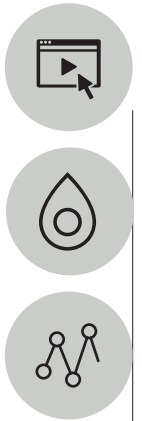
Les Newton
CHAIRMAN OF THE BOARD

NEXT PAGE
Executive Committee



MEET THE REST OF FBEDC'S EXECUTIVE COMMITTEE

The Executive Committee manages the business, affairs, and property of the corporation and possess all of the powers of the Board of Directors at any time that the board is not actually in session. The Executive Committee also reviews the work of the organization to determine the sufficiency, quality, quantity and consistency of the work performed to the purposes for which the organization is chartered.



STEVE ROBINSON OF COUNSEL

Steve Robinson is a Partner in the Law Firm of Allen Boone Humphries and Robinson and has served as Counsel since 2017.



JARED JAMESON VICE CHAIRMAN

Jared Jameson is President & Chief Financial Officer for WJ Interests Wealth Advisors and has served as Vice Chairman since 2017.



JEFF HALEY TREASURER

Jeff Haley is President & CEO of Si Environmental and has served as Treasurer since 2017.



DAN MCDONALD SECRETARY

Dan McDonald is President & CEO of McDonald & Wessendorff Insurance and has served as Secretary since 2017.



LINA SABOUNI ASSISTANT SECRETARY

Lina Sabouni is a Principal in the Architecture Firm AutoArch and has served as Assistant Secretary since 2019.



DANIEL WONG ASSISTANT TREASURER

Daniel Wong is founder, President and CEO of Tolunay-Wong Engineers, Inc. and has served as Assistant Treasurer since 2019.



PRESIDENT & CEO MESSAGE

-JEFF WILEY

A year and three months into the COVID era, we are now beginning to see the light at the end of the tunnel. There is a sense of recovery and a hope that resumption of life as we knew it will be restored. In the economic development world, there is no accounting for a government ordered shut down of an economy. Further, it seems that the conditions for such shut down picked winners and losers, favoring large retailers over small businesses. Small businesses comprise a large part of our economy and a large part of our workforce. So, the way this pandemic hit the country and the way the government reacted had significant impact to local employment and economic output.

Understanding this challenge, a good part of our time and our economic development partners time over the last fiscal year was devoted to understanding how we might assist these businesses. We organized calls at least two times a month with our partner city economic development directors, chambers, US Small Business Administration team, Small Business Development Center team, Fort Bend County and their consulting firm and US Senate and House staff members to coordinate policy and implementation of small business relief. I am proud that our County and Cities placed so much emphasis on small business. This is proven out by the results with Fort Bend County leading the way on the largest prorata share of Cares Funds of any other County in the region to assist small business.

Concerning deal volume, it has obviously slowed as prospects consider and react to changing conditions in the market and look at timing considerations for planned expansion, relocations and even force and space reductions. COVID has accelerated the virtual work environment for many companies and that is causing reviews on office space need, office layout, work at home environments, and productivity considerations among other factors. At the same time, we had two large Amazon Distribution Centers announced during the COVID period. One on the Grand Parkway in Richmond and one on the Fort Bend Parkway in Missouri City, representing over a thousand new jobs and hundreds of millions in capital investment. No incentives were offered in either case.

The COVID environment also delayed a long-anticipated commitment to begin a strategic plan for the organization which was part of our objectives over the past year. This will get underway the beginning of the next fiscal year when we are more accessible for face-to-face meetings with our stakeholders. Much has changed since the inception of the organization and my focus over the coming year is to set the path for the future considering the depth of resources available across our members, both public and private, to keep Fort Bend's collective competitive position dominant in the region.

Our mission over the years has been first and foremost to instill a belief that we are stronger together than individually. That collaboration and interaction as a team builds a stronger, more tight knit community and that we should all agree on some common core principles that bind us together rather than separate us by community, race, ethnicity, municipality, commissioner precinct, East, West, North or South. When we began, our objective was to find common ground and become a world class community. We have done so over the past 35 year. Now our job is ensuring it is maintained through cooperation and remembering we all want some very simple things: nice communities to live in, excellent schools that allow our children to excel, mobility and infrastructure that allows more productive time at work or home and less commuting, a concentrated focus on both new growth and redevelopment, safe and secure communities, charities, and programs that lift those less fortunate from their condition.

If we stay focused on these goals and what unifies us, we may avoid the hardships of growth that tend to divide communities and distract from their purpose. Fort Bend's advantage and this organizations goals have been a common bond to deliver results that lift all and average up our community and living standards.



Fluor Daniel Building - Sugar Land, TX

HOME OF FORT BEND OFFICES

Jeffrey C. Wiley
PRESIDENT\CHIEF EXECUTIVE OFFICER

NEXT PAGE
Team Members





GREATER FORT BEND ECONOMIC DEVELOPMENT COUNCIL — Team Members

GFBEDC STAFF



Jeff Wiley
PRESIDENT & CEO

jwiley@fbcdc.com
(281) 340-1902 (W)
GFBEDC
ONE FLUOR DANIEL DR
SUGAR LAND, TX 77478



Jack Belt
EXEC VP DEVELOPMENT

jbelt@fbcdc.org
(281) 340-1905 (W)
GFBEDC
ONE FLUOR DANIEL DR
SUGAR LAND, TX 77478



Carolyn Martin
OFFICE MANAGER

cmartin@fbcdc.com
(281) 340-1900 (W)
GFBEDC
ONE FLUOR DANIEL DR
SUGAR LAND, TX 77478



Rachelle Kanak
EXEC VP MARKETING &
OPERATIONS

rkanak@fbcdc.org
(281) 340-1911 (W)
GFBEDC
ONE FLUOR DANIEL DR
SUGAR LAND, TX 77478



Keri Schmidt
PRESIDENT & CEO
FORT BEND CHAMBER

keri@fortbendcc.org
(281) 281-491-0216 (W)
445 COMMERCE GREEN
BLVD
SUGAR LAND, TX 77478



Kristin Weiss
PRESIDENT & CEO
CENTRAL FORT BEND
CHAMBER

kweiss@cfbca.org
(281) 342-5464 (W)
4120 AVENUE H
ROSENBERG, TX 77471



Don McCoy
EXECUTIVE DIRECTOR
FULSHEAR KATY AREA
CHAMBER

dmccoy@fulshearareachamber.com
(832) 600-3221 (W)
29818 FM 1093 #108
FULSHEAR, TX 77441



Matthew Ferraro
PRESIDENT/CEO
KATY AREA CHAMBER

matthew@katychamber.com
(832) 437-8178 (W)
814 EAST AVE; SUITE G
KATY, TX 77493

GREATER FORT BEND ECONOMIC DEVELOPMENT COUNCIL

Economic Development Partners (EDP)



Angela Fritz

**DIRECTOR - ECONOMIC
DEVELOPMENT**

afritz@fulsheartexas.org
(281) 346-8874 (W)
CITY OF FULSHEAR
30603 FM 1093
FULSHEAR, TX 770441



Lance LaCour

**PRESIDENT & CEO
KATY ECONOMIC**

lancelacour@katyedc.org
(281) 396-2200 (W)
KATY EDC
2002 W. GRAND PKWY N
SUITE 220
KATY, TX 77494



Bob Graf

**CONSULTANT - CITY OF
MEADOWS PLACE**

meadowsplacedc@yahoo.com
(281) 983-2931 (W)
CITY OF MEADOWS PLACE
1 TROJAN DRIVE
MEADOWS PLACE, TX 77477



Bill Atkinson

**INTERIM CITY MANAGER
CITY OF MISSOURI CITY**

batkinson@missouricitytx.gov
(281) 403-8695 (W)
CITY OF MISSOURI CITY
1522 TEXAS PARKWAY
MISSOURI CITY, TX 77489



Jerry Jones

**DIRECTOR ECONOMIC
DEVELOPMENT
CITY OF RICHMOND**

jjones@richmondtx.gov
(281) 342-5456 (W)
CITY OF RICHMOND
402 MORTON STREET
RICHMOND, TX 77469



Jeremy Heath

**DIRECTOR
ECONOMIC DEVELOPMENT
CITY OF ROSENBERG**

jheath@rosenbergtx.gov
(832) 595-3330 (W)
CITY OF ROSENBERG
3825 HWY 36 SOUTH
ROSENBERG, TX 77471



Patti Worfe

**DIRECTOR
ECONOMIC DEVELOPMENT
CITY OF STAFFORD**

pworfe@staffordtx.gov
(281) 261-3907(W)
CITY OF STAFFORD
2610 SOUTH MAIN
STAFFORD, TX 77477



Elizabeth Huff

**DIRECTOR
ECONOMIC DEVELOPMENT
CITY OF SUGAR LAND**

ehuff@sugarlandtx.gov
(281) 275-2778 (W)
CITY OF SUGAR LAND
2700 TOWN CENTER BLVD.
SUGAR LAND, TX 77478





YEAR IN REVIEW FY20/21

Capital Expenditure, Commercial Space and New and Retained Jobs

Fiscal Year 20/21 was characterized by the impacts of the pandemic and saw a slow start in activity between July and October. Activity picked up during the remaining 8 months and the resultant deal activity, while not as strong as the past couple years, still produced considerable capital investment and job totals. This year deals that closed covered \$430 million in new capital expenditures, 2.436 million square feet of new commercial construction projects with associated new jobs of 787 and retained jobs of 725. We thank our partner City Economic Development Teams for collaboration and leadership to get these deals done.

The Pipeline

The pipeline is also reflecting good activity with nearly \$320 million in deals and 1,890 new jobs associated with these deals. We have also seen an increase in State sourced deals over the past 6 months, a good sign of large deal interest in Texas and the Houston market. We should expect to close some portion of the pipeline in the first 2 quarters of FY 21/22, especially those deals that are disclosed like Accredo and USA Gloves or those that have narrowed their search to Greater Houston area or Fort Bend County.

Mixed Use Development

Given the state of retail and restaurants in the COVID environment and the rethinking of office space needs in hybrid and virtual environments, the health and progression of our mixed-use centers has slowed like everything else over the past year. Hotel convention was particularly hit hard across the board and while leisure and travel is starting to return, the market for hotel convention remains uncertain at this stage. Those centers that are already established like La Centerra, Sugar Land Town Square and Brazos Town Center are likely to recover and be in a much stronger position later this year. The GRID continues to develop frontage tracks with Torchy's recently opening along the east bound feeder of I69. Katy Boardwalk, Imperial Redevelopment and the George 762/I69 tracks all lay in wait for a market recovery.

Fort Bend Marketing Program

Fort Bend County's marketing program reduced and/or suspended social media activity and planned recruiting trips, conserved resources and spent much of the year working to relaunch the program and enhance the Fortbendcounty.com web site. As COVID dissipates and the market recovers a steady ramp up is planned as we set the budget for the next fiscal year. The web site is a significant change in appearance, data and

20/21 HIGHLIGHTS

Capital Expenditure, Commercial Space, New and Retained Jobs

The Pipeline

Mixed Use Development

Fort Bend Marketing Program

Operations and Fiscal Responsibility

Infrastructure

Education

Federal Initiatives

State Initiatives

demographics and heavily oriented for, as well as designed by site selectors with a high orientation toward business recruitment.

Operations and Fiscal Responsibility

FY 20/21 saw a change and reshaping of the incentive process and procedures with the County. Abatement guidelines were revised and combined with process elements and passed in early May 2021. The new process emphasizes GFBEDC efforts on the front end of the process assisting applicants with their requests concerning incentive consideration on relocation and expansion opportunities prior to submittal of an application to Commissioner's Court for approval. Increased coordination with Cities early in the process will be important to timelines often ambitious when presented by the prospect for consideration. We believe the guidelines represent the best compromise achievable to continue a forward leaning posture from a business recruitment perspective while providing the level of documentation and accountability the County desires in holding applicants to the agreed conditions incorporated into incentive agreements.

As discussed further under Federal Initiatives the FBEDC will be taking on a larger public policy role in shaping the federal discussion with respect to Levee Districts and their importance to the economic and competitive wellbeing of the community. From property owners to market values to taxing entities, there is no more critical issue than the safety, maintenance and operation of levee districts and the reflection of those efforts in policies being deliberated by Congress and regulatory bodies like FEMA and the US Army Corp of Engineers as it relates to affordable, optional flood insurance.

From a financial perspective, the organization managed through the COVID year by first adopting a conservative fiscal budget. Unlike other similar organizations, we did not apply or make use of the PPP loans offered in COVID relief. We spent the last 15 years building up a year of operating reserves for an occasion such as this and while we likely could have successfully applied and received the forgivable loan, our Board voted against such action, leaving funds for those truly in need.

Notwithstanding, the shutdown of the economy, we ended the year both ahead of budget and slightly ahead on new members. Membership churn was low and our focus going into the next year is moving the organization forward in strategic planning effort to define and gain support from our stakeholders in efforts and strategies to position Fort Bend County for the next decade of growth.

Infrastructure

There are multiple projects of importance related to infrastructure including both mobility and drainage, river erosion and flood mitigation that require focused attention. Concerning transportation, three road projects will set the trajectory of Fort Bend County growth for the foreseeable future: 1) Grand Parkway Segment B\C; 2) Fort Bend Parkway Bridge over the River; 3) 36A connection between Interstate 69 and Interstate 10. The advancement and completion of these three transportation initiatives should be our priority and will drive development and quality growth opportunities for the next 30 years. All three of these projects were advanced as priorities for consideration in a Federal Infrastructure bill by both this organization and the Brazoria County Economic Development Partnership. We will need strong agreement and focus to deliver these advancements but the rewards are great.

With respect to flood mitigation efforts, continued focus on addressing increased detention and storage capacity of Barker Reservoir and getting the USACE to move forward on projects that begin to address the impacts of Harvey remain a focused priority. 45% of the flooding during Harvey occurred as a result of upstream flooding caused by Barker Reservoir capacity and the lack of conveyance capacity of Buffalo Bayou. Nearly 4 years after Harvey, we are no better off as both conveyance and storage have not been addressed.

Finally, the Brazos River Erosion that threatens assets up and down the Brazos River in Fort Bend County, Atlas 14 and new rainfall standards and the county drainage channels and identification of improvements necessary over time to harden our communities and reduce risk of damage of flood occurrence remain another significant focus.

New Leads and Working Prospects Pipeline (as of May 26, 2021)

All Values are Preliminary Estimates							
Code Name	Area	Industry	CapX	New Jobs	Retained Jobs	Total Jobs	Size sf
Accredo	Sugar Land	Advanced Mfrg.	\$ 9,500,000	30	525	555	83,000
USA Glove	Stafford	Advanced Mfrg.	\$ 11,850,000	150	0	150	115,000
Project Ryan	Sugar Land	Advanced Mfrg.	\$ 28,000,000	375	0	375	100,000
Project Gold Watches	Greater Houston	Mfrg & Distribution	\$ 50,000,000	-	0	0	200,000
Project Red Nose	Greater Houston	Furniture Mfrg.	\$ 25,000,000	50	0	50	125,000
Project Moody	FBC	Mfrg & Distribution	\$ 10,000,000	35	0	35	100,000
Project Echo (3 phs.)	Rosenberg	e-Commerce	\$ 100,000,000	800	200	1000	200,000
Project More Cookies	Missouri City	Food	\$ 25,000,000	200	250	450	150,000
Project Mixed Breed	Missouri City	Distribution	\$ 30,000,000	200	0	200	500,000
Project Bridge (Ph 1)	Unincd. FBC	Logistics	\$ 30,000,000	50	0	50	250,000
			\$ 319,350,000	1,890	975	2,865	1,823,000
EXPANSIONS AND RELOCATIONS FY 2020-2021 YTD							
Code Name	Area	Industry	CapX	New Jobs	Retained Jobs	Total Jobs	Size sf
Biotics	Rosenberg	Mfrg\Nutrition		0	150	150	80,000
Frito Lay	Unincd. FBC	Food		160	575	735	130,000
Amazon	Missouri City	Warehouse\Distribution		500	0	500	1,500,000
Braes Bayou Power Station	Near Thompsons	Utility		2	0	2	400,000
500 Industrial Blvd	Sugar Land	Mfrg\Distribution		125	0	125	326,810
			\$ 430,000,000	787	725	1512	2,436,810

Education

Arguably, the largest magnet that has drawn interest in Fort Bend County over the long haul and certainly since the inception of this organization, has been the reputation and delivery of public education and our K-16 schools. We have been very fortunate to have consistency of vision and leadership in Fort Bend County particularly as it relates to education. FY20/21 however will see the retirement and transition of Superintendents for our two largest school districts. I know the leaders on our school board will select great replacements but when the average tenure of a Superintendent is 4 to 5 years, we were fortunate to have both Dr. Randall and Dr. Dupree serve our community well beyond the norm with grace and dignity always pursuing excellence.

We are also excited to have worked with Microsoft, FBISD and University of Houston Sugar Land to conceptualize, apply and receive acceptance of their Showcase School Program for a future school to be built in FBISD's district. Envisioned as a K-8 school that is project-based STEM oriented and rich in technology, FBISD will be one of only 4 Showcase Schools in the US to be designed and built from the ground up with involvement and consultation from Microsoft. This will be a magnet school available to all parts of the FBISD District. There will be close ties with the UH campus and the potential for collocation of the Showcase School on the campus. It is envisioned that both the College of Education and College of Technology will develop and create deep ties with the Showcase School wherever located and that it may be a



robust training ground for other schools in the district as well as schools outside the district in Fort Bend County.

Federal Initiatives

At the top of the list of things to worry about from the US government is their approach to the maintenance, funding and offering of federal flood insurance. For over 5 years they have been in design of a new risk rating methodology intent on changing the basis for flood insurance used for the last 50 years. Their new approach is called Risk Rating 2.0 and attempts to assess flood risk on a property specific level instead of using floodplain maps and designations.

While we do not necessarily oppose the new system, we cannot currently support it either as the agency has been under non-disclosure arrangements that withhold from the public data, models, assumptions used to set rates. Further these rates are to be introduced without the benefit of rulemaking, compliance or following the administrative procedures act or any modicum of transparency to allow general understanding of the impacts to property owners, market values or tax base implications for those affected.

We are active in the efforts to delay implementation of risk rating 2.0 until rates, underlying data and models can be reviewed and assessed by the public for a sufficient period to raise concerns or challenge results where necessary. We are working with a coalition of concerned parties including Fort Bend Flood Management, LID 2, the County Engineering and Drainage departments and City resources to stay engaged. We also recently filed testimony with the US Senate on behalf of the organization concerning National Flood Insurance Program Reauthorization.

Additionally, the organization created a list of questions in a similar hearing before the US House Banking Committee questioning the new FEMA Risk Rating 2.0 system and seeking answers to questions concerning data, models, methods, transparency and impacts to our and community. Commissioner's DeMerchant and Prestage were very helpful in bringing these issues to the attention of Houston US House Representative Al Green a member of the US House Finance Committee.

Concerning the Cares Act and American Rescue Act passed in 2020 and 2021, Fort Bend County provided the most assistance to small business recovery than all other counties in the Houston Metro Areas. A good part of the year was spent coordinating activities to establish, market and direct funds to small business.

State Initiatives

As in prior years we coordinated a countywide legislative agenda focused on Business issues important to economic development, quality growth and business constituents as represented by FBEDC and the various Chambers in Fort Bend County. While the typical trip to Austin with our public sector leaders was cancelled due to COVID, we coordinated a virtual session that kicked off the process in November with our elected Texas House and Senate representatives from Fort Bend County. The business and quality growth state legislative agenda are covered later in this document.

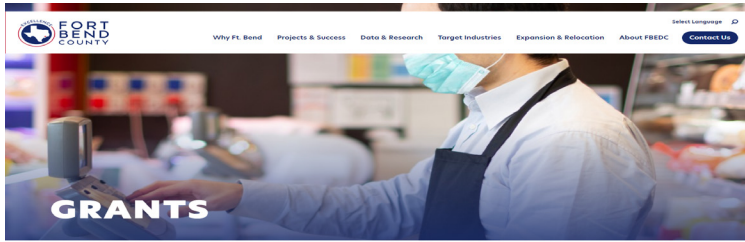
NEXT PAGE

Small Business Grants
State of Commercial Markets





BUSINESS GRANTS FOR FORT BEND SMALL BUSINESS THOSE MOST IN NEED



Small Business Emergency Grant Program
The Fort Bend County Commissioners Court has approved a small business emergency grant program to assist businesses impacted by Covid-19. Additional funds were approved April 27, 2021 to provide financial assistance to the small business community.
The application portal opens May 17, 2021.

\$5K **\$15K** **\$25K**

As the fiscal year began July 1, the Fort Bend EDC had already initiated weekly calls with our county allies, building a coalition of business-focused county and city leaders. These calls continued throughout fiscal year as we worked collaboratively to find opportunities to support our business community still struggling with the impacts of COVID-19 and the shutdown of the local economies.

The collaborative group, which included participants from the city, the county, all five area chambers, Workforce Solutions, the Small Business Association, and others, met weekly and now bi-weekly to find solutions to the unique challenges the COVID-19 pandemic presented. The team shared resources, information, and updates on various programs to support economic resilience and recovery as the pandemic wore on and uncertainty became the norm.

Understanding the value of a regional approach, the group found opportunities to work on county-wide projects such as the legislative panels the Fort Bend EDC hosted in November, and we received updates from state and federal leaders, took action to share information with those in our spheres of influences on the Paycheck Protection Program (PPP) and Economic Injury Disaster Loan program (EIDL), and supported one another's business recovery surveys and programs.

In late summer of 2020, the Fort Bend County Commissioners Court began to consider a small business emergency grant program to assist local small businesses impact by COVID-19. This collaborative group was asked to take the responsibility of developing the grant program parameters and identifying an action plan and marketing strategy for initiating the grant once approved. The court reviewed the program details and funded the program in September. Additional funding was approved in November and again in May, totaling \$71.3 million to support Fort Bend's small business community- significantly more than any other county or city in the Greater Houston region.

Working To Support The Business Community

C O L L A B O R A T I O N

- Ed Sturdivant, Fort Bend County
- Spurgeon Robinson, Mpaact Strategies
- Angela Fritz, City of Fulshear
- Joe Esch, City of Missouri City
- Jeremy Heath, City of Rosenberg
- Jackie Wehring, City of Rosenberg
- Jerry Jones, City of Richmond
- Elizabeth Huff, City of Sugar Land
- Devon Rodriguez, City of Sugar Land
- Patti Worfe, City of Stafford
- Kristin Weiss, Central Fort Bend Chamber
- Keri Schmidt, Fort Bend Chamber
- Don McCoy, Fulshear-Katy Area Chamber
- Matthew Ferraro, Katy Area Chamber
- Bradley Stavinoha, Needville Chamber
- Lance LaCour, Katy Area EDC
- Angie Thompson, Katy Area EDC
- Tori Raines, Small Business Development Center
- Tim Jeffcoat, Small Business Association
- Traci Nolan, Workforce Solutions
- Jay Guerrero, Senator Cornyn's Office
- Mary Davis, Representative Nehls' Office
- Mike Dotson, AccessHealth
- Marvin Marcel, FBEDC Govt' Affairs
- Jeff Wiley, FBEDC
- Rachelle Kanak, FBEDC

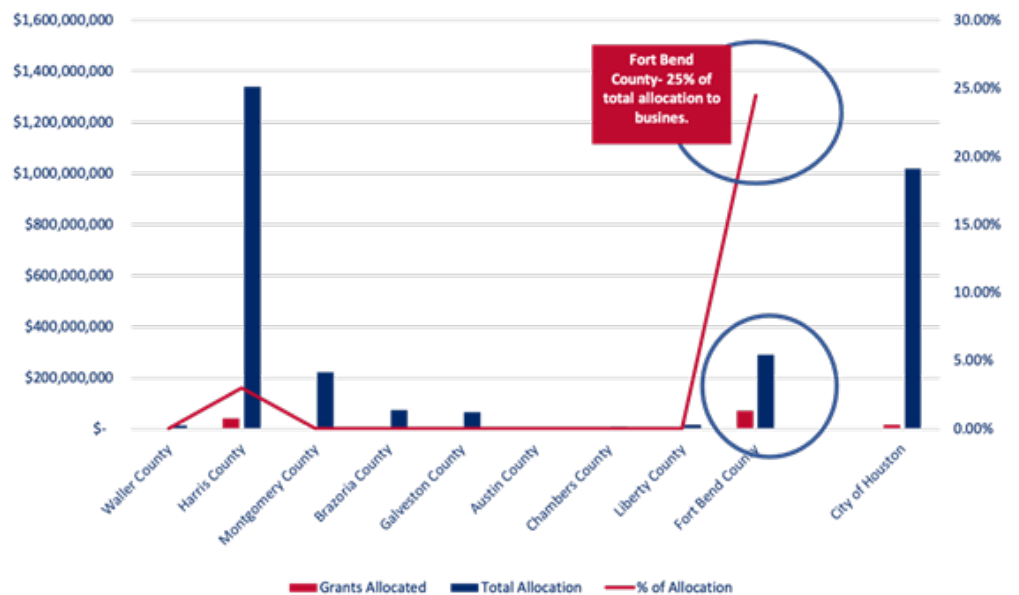
3,305
Total Grants

2,553
Total Businesses

\$13,600
Average Grant

* As of May 1, 2021- Prior to 3rd allocation

Houston MSA Small Business Grant Programs





Key Takeaways

- Office vacancy increases, but so does leasing activity
- Medical Office vacancy increases and average rents drop
- Industrial vacancy drops and average rents increase
- Retail vacancy falls and net absorption increases



Office Highlights

The E Fort Bend office submarket contains 5.8M SF of office space. The submarket posted 69,629 SF of negative net absorption in Q1 2021, down from the 17,898 SF of negative net absorption recorded in Q4. The average vacancy rate increased from 14.5% to 15.7% over the quarter. The average quoted rental rate decreased from \$22.14 to \$21.90 per SF, and leasing activity increased over the quarter by 22%. There are currently no buildings under construction in the submarket.



Medical Office Highlights

The Fort Bend MOB submarket recorded 10,477 SF of negative net absorption in Q1 2021, a decrease from the 3,751 SF of positive net absorption recorded in the previous quarter. The average quoted rental rate dropped over the quarter from \$23.09 to \$22.66 per SF. The average vacancy rate increased 60 bps from 15.3% in Q4 2020 to 15.9% in Q1 2021. There are no medical office buildings over 10,000 SF under construction in the submarket.



Industrial Highlights

The Fort Bend/Sugar Land industrial submarket contains 33.4M SF of industrial space and currently has 5.6M SF of available space. The submarket recorded 331,999 SF of positive net absorption during Q1 2021, down from the 441,660 SF recorded in Q4 2020. Vacancy decreased from 8.7% to 7.9% over the quarter, and the average asking NNN rental rate for all property types rose from \$8.34 per SF to \$8.50 per SF. Bulk distribution represents 33% of the existing inventory and the average rental rate is \$6.55 per SF. There are 21 buildings with 3,596,000 SF of industrial space under construction and an additional 3.9M SF of proposed development. Approximately 2.4M SF of the inventory under construction is bulk distribution. The largest building under construction is a 1.1M-SF Amazon fulfillment center located in the Fort Bend Business Park.



Retail Highlights

The Fort Bend retail submarket contains 15.8M SF of retail space and currently has 1.2M SF of available space. The submarket recorded 39,007 SF of positive net absorption in Q1 2021, and the vacancy rate dropped from 7.1% in Q4 2020 to 6.9% in Q1 2021. The





FORT BEND MARKETING PROGRAM

The Fort Bend Marketing Program (FBMP) shifted this year to better address the county’s marketing needs given the COVID environment. As the fiscal year began and COVID was significantly impacting development and how business was being done, the FBMP re-focused our messaging to highlight the community assets that best positioned the county to continue to grow during this unusual period.



Additionally, the FBEDC team made the decision in March to halt fundraising efforts for the marketing program as COVID loomed and eventually became more oppressive. With fewer dollars collected, our marketing budget was significantly less than in the past. To remain impactful with limited funds and to adjust to the unprecedented circumstances, we allocated the available dollars to focus on brand impressions via social media, a new website which included a rebrand, and a potential study which would be the foundation for a long-term marketing plan.

To ensure the program was relevant and using the appropriate tone during this time of unease, the Program Oversight Board (POB) agreed with staff recommendations to suspend our paid social media advertising campaign during the months of July and August, giving us time to redefine the message and make the best use of our marketing dollars. We understood quality of life and housing would become even more significant factors as businesses and families began to consider the benefits of less dense living and the impacts of historically low interest rates.

Our campaign shifted in September through December to focus on our quality-of-life assets such as open and green spaces (less living density via master planned communities), educational institutions, diversity, cost of living, etcetera. We continued to impress the Fort Bend brand through December, but we focused on very specific messaging.

We continued our Search Engine Optimization (SEO) and Search Engine Marketing (SEM) efforts throughout this fiscal year to keep our existing website top of mind. The SEO agenda focused on keeping the site user friendly and google-compliant, and the SEM campaign was dedicated to keeping our site as high as possible in the search sector.



In January, as the potential for wide-spread vaccine distribution germinated and the state of Texas began to show signs of opening more and lessening restrictions, we shifted the messaging again to focus on our five broad messaging points: access and infrastructure, available land, exceptional workforce, quality of life, and a pro-business environment. We moved our digital dollars to more of a LinkedIn and Twitter centric effort and lasered our attention back on brokers, site selectors, and consultants. Our focus will continue to migrate to LinkedIn as the program evolves.



improvement over the prior version and should net additional viewership this next fiscal year.

We also jumped into an active, paid YouTube campaign, a forum we have not spent a great deal of time in before. The success and popularity of YouTube is one of many changes in the digital marketing arena. We updated our channel, re-purposed our videos with updated logos, colors, descriptions, and tagging, created new playlists, and spent advertising dollars on our channel. The updated version is a significant

Although we did budget for a marketing study, in an effort to remain aligned with the larger Fort Bend EDC goals and purposes, we delayed the study to support the organization’s efforts to engage a firm to perform an organization-wide strategic plan that will include a deep dive into the marketing program goals, objectives, and desired outcomes.



FORT BEND MARKETING PROGRAM

Fort Bend Marketing Program Launches A Rebranded, Enhanced Website

After five years, the FBMP launched a new, data-driven website with a rebranded logo and look. The new logo, brand interpretation, and website were launched in March 2021.



The updated Fort Bend County logo represents Fort Bend’s interconnectivity with Houston, Texas, and the world, with a Texas outline sitting inside a blue circle identifying the globe, all highlighted with a white star signifying Fort Bend. Emphasizing our consistent commitment to excellence, the word “Excellence” sits atop the logo. The variations of red and blue make the logo sharp and clean, standing out in both digital and print mediums.

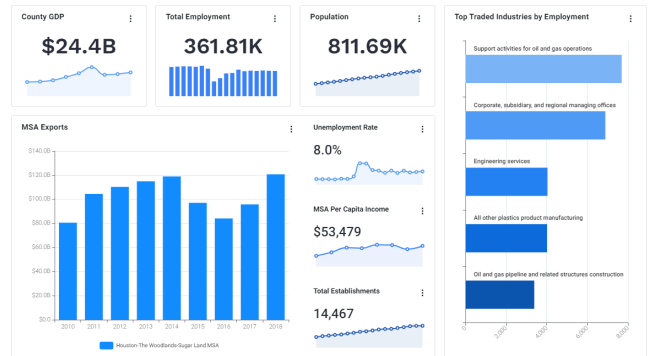
The logo was the first step in the brand interpretation that was carried into the website design. The site is a modern, mobile-friendly, data-driven site with clean lines, plenty of white space, and high-quality images used strategically to depict the quality development and pursuit of excellence indicative of Fort Bend County. The site map was conceived with consultants and site selectors in mind, providing just enough information to tell our story of success without overwhelming the user

with superlatives. We massaged the content to be search-friendly and persuasive, assisting with site SEO and strengthening our message with testimonials and stories of success.

Fort Bend has, for years, branded ourselves as achievers, driven to excellence and leading the region by almost every metric, and now we prove it! The site is full of intuitive data tools that tell our story with facts, numbers, and stats, not just explaining who we are, but using data to back up the story and prove the case.

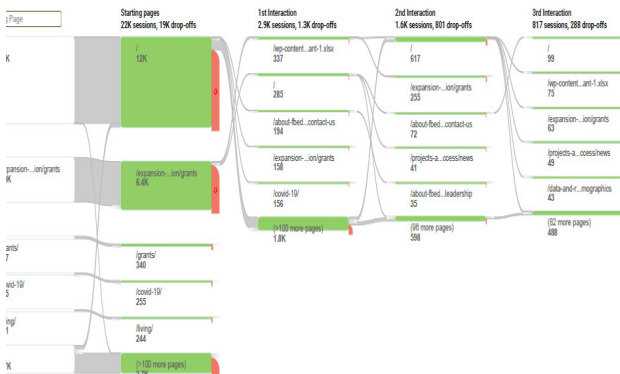
We purchased software from Chmura to share information as it relates to workforce, jobs, and the labor pool in Fort Bend. We scattered tools from LocalIntel, ten in all, throughout the site that provide data on a variety of topics including housing, demographics, industries, economic forecasting, and community assets.

ECONOMIC ADVANTAGES



Working with our site developers, we added a suite of tools that allows us to better share information on our largest employers and available incentives, and we worked closely with the designers to create page elements that can quickly and easily be added to new and/or updated pages to allow in-house data maintenance and additions of new pages. As part of the website launch and the updated logo, we rebranded all of our videos, over 40 in all, with the new logo, colors, and brand identification, and where appropriate, incorporated the videos into the new site.

The website has enhanced metrics, allowing us to monitor page and tool usage, and identify, even more closely, which pages are being reviewed, for how long, and from what geography. We can better tailor our message, our digital media advertising, and our content based on the back-end metrics and software’s ease of use.





WATTBRIDGE
BRIDGING THE GAP TO
A RESPONSIBLE +
SUSTAINABLE ENERGY
FUTURE



Braes Bayou Generating, Fort Bend County, TX

Unincorporated Fort Bend County, Thompson area. Bringing in \$92 million in capital investment, Braes Bayou brings a valuable reinforcement to power capability during peak periods. This critical power capability offers no new jobs in Fort Bend as it will be serviced by an existing control center nearby in Harris County. The footprint of the facility will be 400,000 sf.

WattBridge, the owner of the Braes Bayou facility, is a Houston, Texas based firm responsible for the development and operation of natural gas peaker power solutions enabling renewable energy growth. During peak demand, this type of power generator can quickly be brought on line. WattBridge has over 1.3 GW of generation planned for 2021. The company was conceived and founded by power industry experts to enable the sustained integration of highly efficient, reduced carbon power generation assets in power markets.

Amazon- Missouri City (2020)



Amazon Distribution Center, Missouri City, TX

Amazon announced plans to open its first fulfillment center in Missouri City, Texas, the second Amazon location in Fort Bend County initiated in 2020. The new fulfillment center, which is anticipated to launch in 2021, will create over 500 new full-time jobs with industry-leading pay and comprehensive benefits starting on day one.

No incentives were provided on this deal. This project will greatly contribute to the property and sales tax contributions to the various taxing districts impacted including the County, City and Fort Bend ISD.





Sage Dulles Industrial Redevelopment (2020)



Sage Dulles LTD - 500 Industrial, Sugar Land, TX

Sage Dulles, Ltd., an affiliate of Lovett Industrial LLC, announced a new project in the City of Sugar Land in Fort Bend County with and Boise Cascade Building Materials Distribution, L.L.C as a major tenant.

The new industrial development totaling more than 320,000 square feet will be built in the Sugar Land Business Park. This is a redevelopment project of the former National Oilwell Varco site. Lovett Industrial is a newly formed development company led by Frank Liu and Charlie Meyer and comprised of a management team with significant experience in the commercial and residential development industry

The City of Sugar Land and Fort Bend County incentivized this project.



Pepsico \ Frito Lay Expansion, Rosenberg, TX

Unincorporated Fort Bend County, near Rosenberg. This long term-member of the Fort Bend business community will deploy \$200 million of capital investment and create 160 new jobs, with this next 130,000 sf expansion. Currently in Fort Bend, Frito Lay employs over 575 people at an average of close to \$50,000/yr. in existing space of 470,000 sf and on a site of 488 acres with room to grow.

Frito-Lay, Inc. is a leading food and snack producer with over 20 manufacturing sites in the United States. Frito-Lay is a division of PepsiCo, Inc., a Fortune 50 global food and beverage company. In the Rosenberg area of Fort Bend County, Frito-Lay, owns and operates a plant that operates seven manufacturing lines that produce: Lay's potato chips, Tostitos, Doritos, Cheetos, Baked Cheetos, Fritos and Tostitos Scoops. The proposed expansion would include two new manufacturing lines, one each for FUNYUNS and Tortilla Chips, an expanded warehouse, and related material handling equipment for the anticipated manufacturing growth.





Biotics Research Corporation, Rosenberg, TX

Badly needing more expansion space primarily for ever increasing inventory, the company is putting \$16 million of capital investment into a new building of approximately 80,000 sf in Rosenberg Business Park.

Biotics Research has been a leader in the nutrition industry for almost 45 years and is a long-term member of the Fort Bend business community. Known for top quality supplements and enhanced product delivery systems, the company drives advancement by focusing on research initiatives, unique product formulations, and unprecedented quality control. A family-owned business with a rich history. Biotics Research is most proud of its valued partnerships with health care professionals.

Numbers That Excel

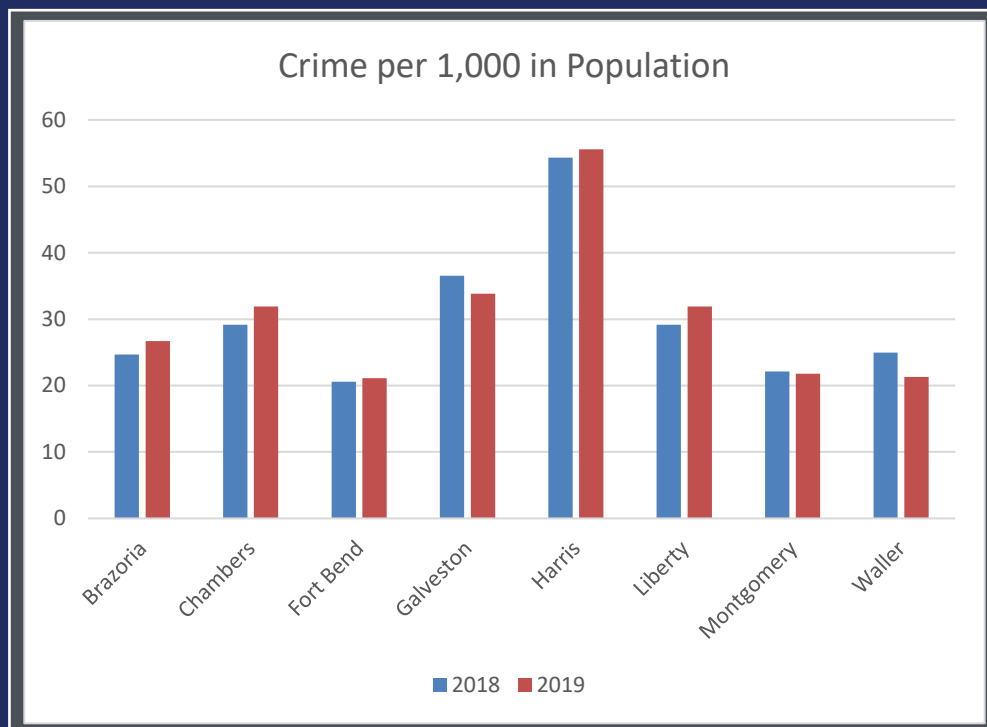
POPULATION, EMPLOYMENT AND QUALITY OF LIFE

Fort Bend’s Labor Force continues to grow and has once again climbed to one of the top seven leaders in growth relative to the largest 349 counties quarterly reviewed by the Bureau of Labor Statistics. These counties make up a substantial majority of all employment in the country. With 4.3% growth, Fort Bend ranks 7th in the nation and third in Texas for employment growth year over year through December 2018. Midland, TX was No. 1 in the Nation and Brazoria was No. 5.

For 2017, Woods & Poole Economics of Washington DC compared Fort Bend County to all 254 counties in Texas; Fort Bend County ranks in the top 10% for the following:

	1986	2019	
Population	195,742	811,688	US Census
Average Household Income	\$36,930	\$197,914	Woods & Poole 2018
Total Labor Force	82,300	395,194	EMSI
Est # Jobs in Fort Bend County	44,045	232,438	EMSI
Unemployment Rate	10.7%	6.7 %	Worksource
Poverty Rate	12.5%	7.9%	US Census

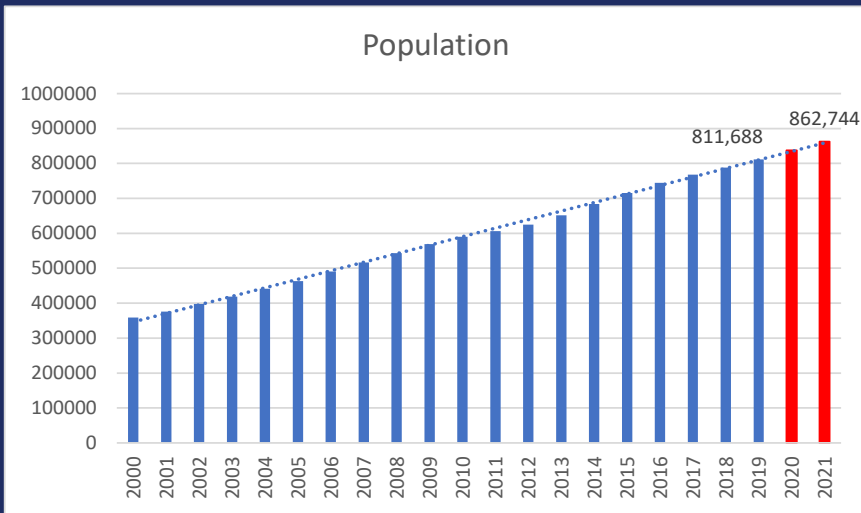
REGIONAL CRIME DATA



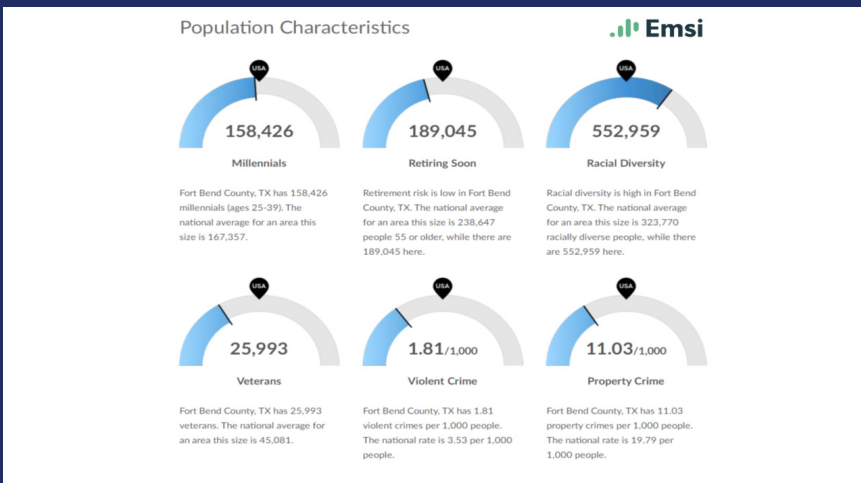
Source: Texas Department of Public Safety

Fort Bend continues to lead the region in lowest overall crime rates per capita among the Houston Metropolitan Area Counties, including Harris County and the seven Counties surrounding Harris. Data tends to lag by a couple years but this is the most recent data we have to compare. Crime incidents are charted per 1,000 in population. Overall regional crime incidents per capita are relatively stable. Fort Bend has maintained its leadership role in this important statistic and over the past decade.

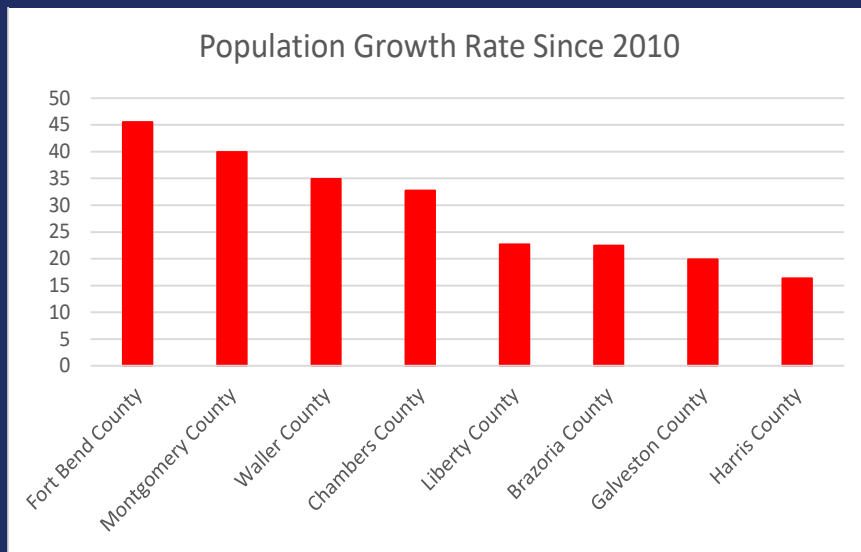
Numbers That Excel



Source: US Census \ Most recent average 5 year annual growth



Source: EMSI



Source: US Census Bureau

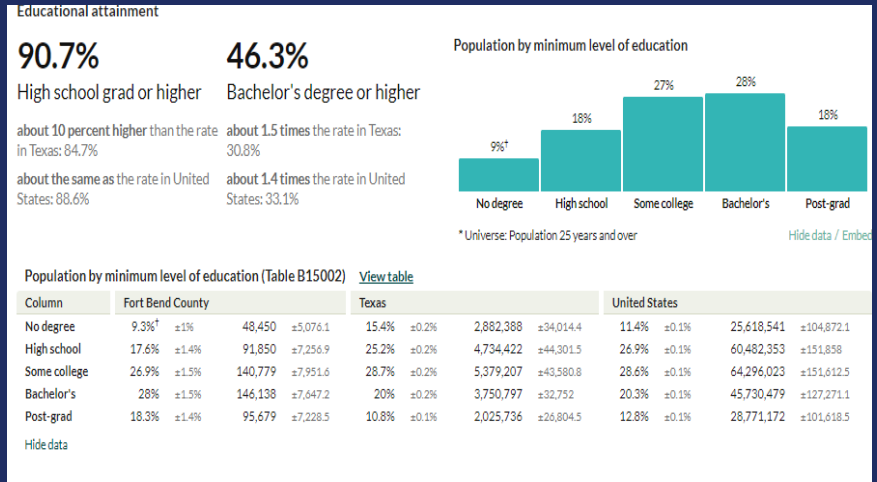
As we wait for the census to reveal a more accurate count of Fort Bend’s population, we believe it stands over 860,000 based on the average growth experienced over the last five year and the last good estimate received from the US Census at 811,688 people as of 2019. Fort Bend is one of the 10 largest counties in the State of Texas. Notwithstanding, it has one of the fastest population growth rates in the state no matter the size of the county, large or small.

Fort Bend’s population characteristics track closely with the nation when it comes to Millennials ages 25-39. We track better than the nation on the level of working aged people and obviously have a higher diversity rate by a considerable margin. Veterans, Violent Crimes and Property Crimes are all considerably lower than the national average. Veterans data is likely explained by the number of foreign born population while favorable crime data is an indication of low density family oriented development.

Over the last 10 years Fort Bend has averaged nearly 45% growth in its population, outperforming all its peer regional counties, despite having the second highest population base in the re-gion. This growth has also been high quality growth as families moving to Fort Bend continue to exhibit high education achievement, household income and purchasing power.

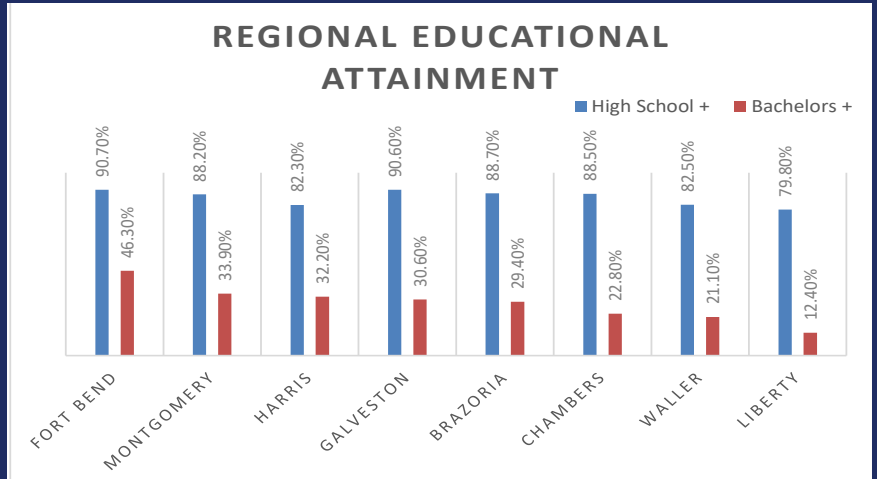
Numbers That Excel

Fort Bend County has always placed a n emphasis on our public education systems, development of master planned communities and on the recruitment and expansion of secondary education opportunities both career and technical, junior and community colleges and Tier 1 uni-versity programs. The educational importance has translated into an adult educated popula-tion that outpaces, the Nation, Texas and the Region.



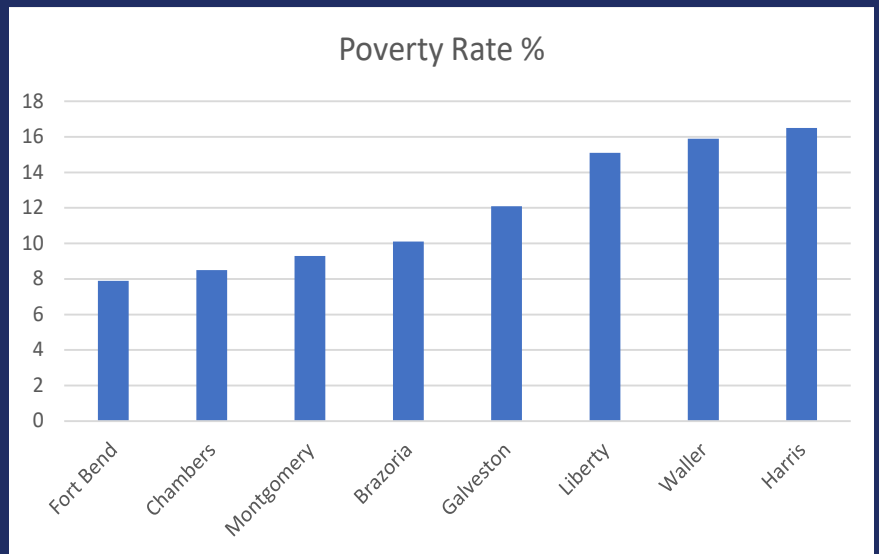
Source: <https://censusreporter.org/>

Fort Bend has led the region when it for adult educated population in the Houston Region. With 46.3% of our adult population having a Bachelor's degree or higher, we outpace the region's closest competitor Montgomery (33.9%) and Harris (32.2%) by a considerable distance. At 90.7% High School graduation or higher, we also lead the Houston Region not surprisingly.



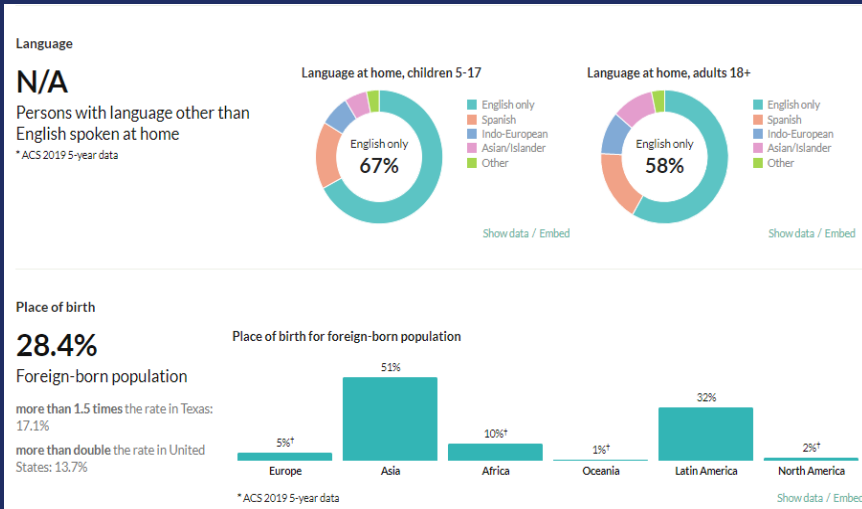
Source: <https://censusreporter.org/>

Fort Bend's Poverty Rate is also among the lowest in the State. Fort Bend's has the 9th lowest poverty rate among all 254 counties in the State of Texas. Fort Bend also has the lowest poverty rate among all counties in the Greater Houston Region. Of the top 10 counties for lowest poverty rate in the State of Texas, only four have populations above 500 K.

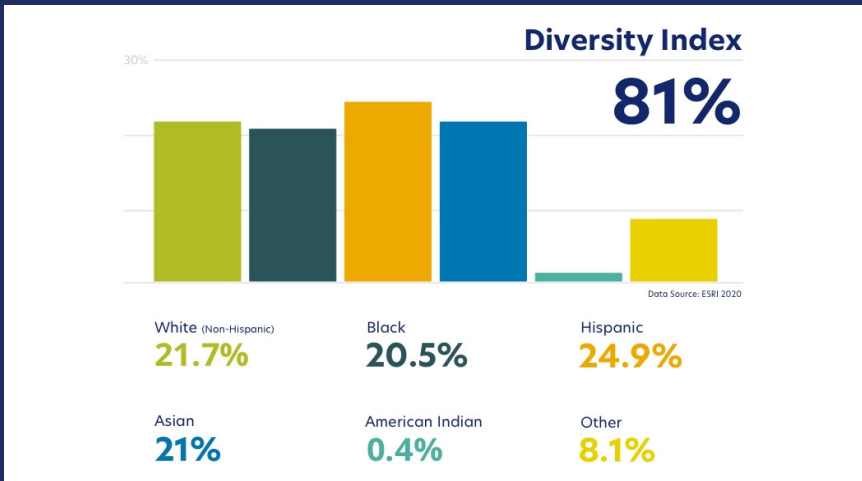


Source: <https://www.indexmundi.com/facts/united-states/quick-facts/>

Numbers That Excel



Source: <https://censusreporter.org/>



Source: EMSI



Source: [Source: https://censusreporter.org/](https://censusreporter.org/)

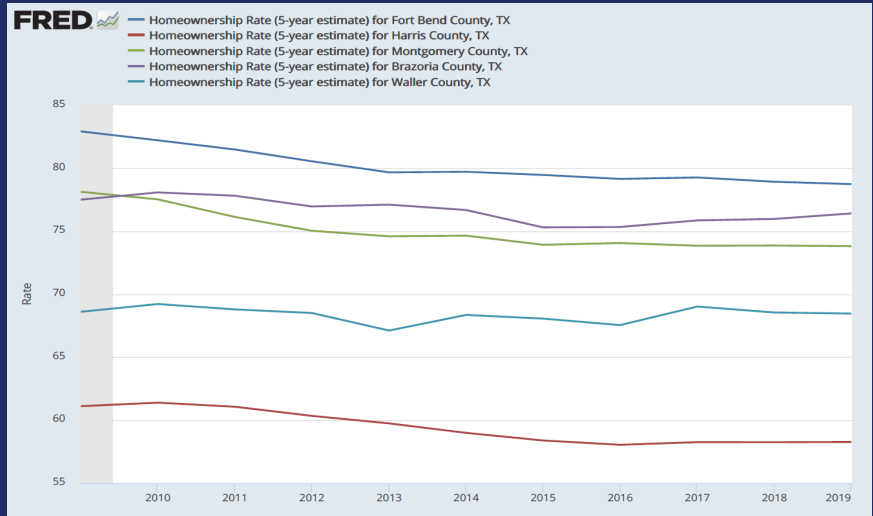
Fort Bend County is arguably the best part of the Greater Houston market. Along with the Medical Center and the Ports, Greater Houston has continued its reputation as a world class community. Fort Bend County, like Houston, is home to a diverse population that already looks like the country is expected to look in 2050. Roughly 30% of our population is foreign born, half of which come from Asia.

Fort Bend County has been labeled the most diverse County in the Country by Steven Kleinberg, noted Sociologist from Rice University. Most diverse in this context means we are closest to parity among all the major ethnic groups. The four major groups are white-non-Hispanic, Black, Hispanic, Asian all of which have between 20-25% share of population levels in Fort Bend County.

Census data indicates we have approximately 253K in households with an average household size of 3.2 persons compared to Texas at 2.8 and the US at 2.6. 60% of our population over 15 are married. We add between 7000 - 8000 households every year and grow by 23-25 thousand people routinely whether or not the economy growth rate is good or bad.

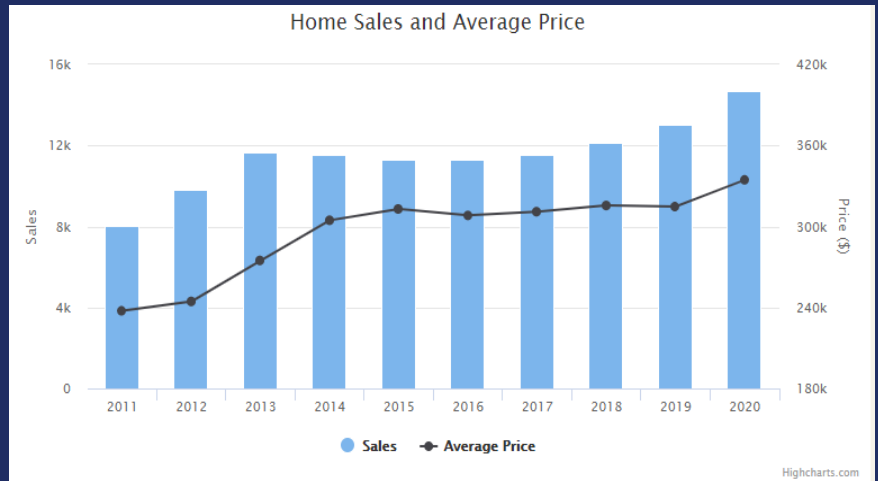
Numbers That Excel

Fort Bend County has the highest percent of single family owner occupied housing in the Houston Region. This comes primarily from our concentration on single-family low-density development inherent in the design and development of our master planned communities. While multifamily development is important especially in support of mixed-use center development throughout the County, Fort Bend County's continued dedication to owner occupied housing is closely correlated with quality growth and development.



Source: fred.stlouisfed.org

The low mortgage rates and remote work\hybrid work environments accelerated by COVID have set housing on fire. This is particularly true in Southern\Southeastern States and markets where affordability remains. Suburbs of large cities like Fort Bend County are ripe for demand increases. Fort Bend fortunately has the capability as does Houston to increase supply more readily, but insufficient demand is having impacts on housing costs and affordability.



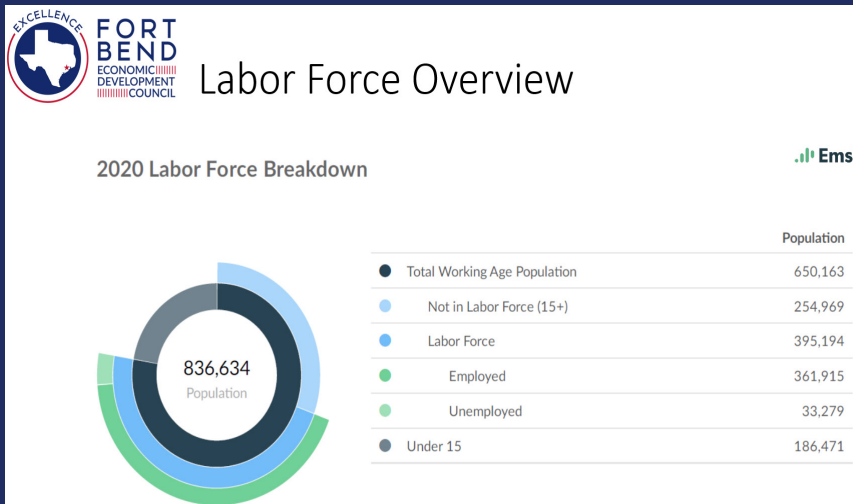
Source: HAR data \ TAMU Real Estate Center

Over the past 15 months we have seen our housing inventory in Fort Bend County move from 3.1 months in January 2020 to 1.0-month supply in March 2021. Three months' supply generally reflects equilibrium. One month inventory is the lowest level we have seen ever, even during periods of 2014 when the average barrel of oil cost \$144 and inventories were 1.8 months, we have not ever come close to the current demand\supply relationship. Given inflation fears, the Federal Reserve may begin reversing some of the policies enacted to stimulate the economy (e.g., long term mortgage rates to rise, reducing their balance sheet).

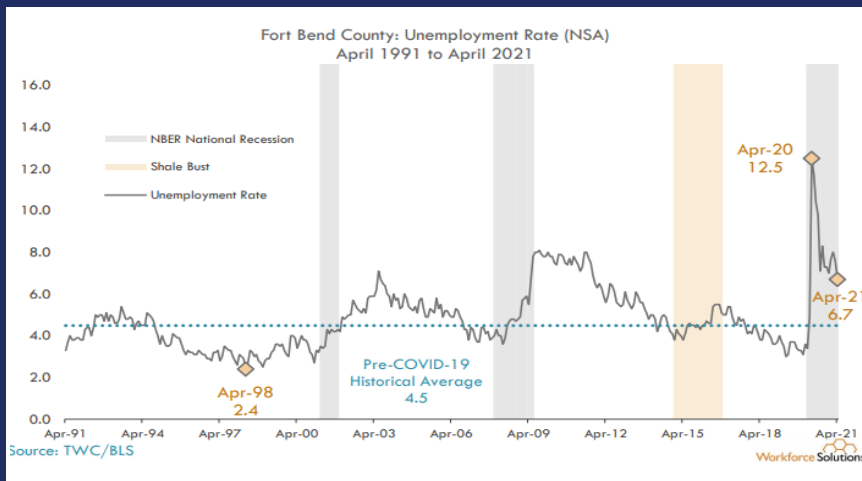
Date	Sales	Dollar Volume	Average Price	Median Price	Total Listings	Months Inventory
Jan 2020	713	214,317,770	300,586	267,500	3,458	3.1
Feb 2020	887	272,035,628	306,692	272,990	3,433	3.1
Mar 2020	1,146	363,193,632	316,923	280,000	3,558	3.2
Apr 2020	950	314,859,227	331,431	294,998	3,585	3.3
May 2020	965	299,105,622	309,954	275,500	3,293	3.1
Jun 2020	1,472	490,856,490	333,462	299,900	2,830	2.6
Jul 2020	1,676	578,949,887	345,435	305,000	2,711	2.4
Aug 2020	1,420	486,187,583	342,386	299,000	2,319	2.1
Sep 2020	1,405	476,380,430	339,061	295,245	2,115	1.8
Oct 2020	1,342	469,042,825	349,510	301,254	1,992	1.7
Nov 2020	1,266	435,882,667	344,299	301,990	1,753	1.5
Dec 2020	1,461	517,788,620	354,407	304,000	1,599	1.3
Jan 2021	901	304,197,073	337,622	297,000	1,478	1.2
Feb 2021	885	315,695,188	356,718	319,999	1,224	1.0
Mar 2021	1,369	510,541,897	372,931	330,000	1,255	1.0

Source: HAR data \ TAMU Real Estate Center

FORT BEND LABOR



Source: EMSI



Source: Gulf Coast Workforce Solutions



Source: Source: St. Louis Federal Reserve

While EMSI estimates population slightly differently as of the end of 2020, this chart may detail the best visual breakdown of population relative to labor force. Roughly 186K of our population is under 15. Of the 550K people over age 15, 254K are out of the labor force for any number of reasons, 395K are working or seeking work of which 33K are unemployed and 362K are employed. This reflected an unemployment rate of a little over 8% at the time which has since moved down below 7% as of April 2021.

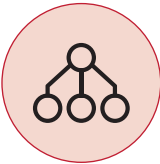
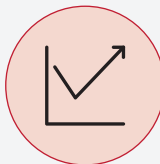
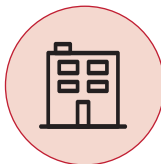
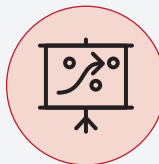
Our unemployment rate for Fort Bend County peaked during the COVID months at 12.5 and is estimated to currently be about 6.7% as of April 2021. Our pre-COVID unemployment rate averaged 4.5% and reached a low in April 1998 of 2.4%. Prior to COVID, unemployment was trending again towards our all-time lows.

Seen differently, our labor force chart over the last five years showed steady growth through January 2020, a rapid decline due to government shutdowns of the economy and the COVID Pandemic and a rebound and generally flat labor force picture just shy of 400K. We would expect that to rapidly change as unemployment benefits are reduced and incentives are removed to stay at home. Texas has joined with over two dozen other states in revoking extended unemployment benefits given the reduction in COVID related cases and fatalities.

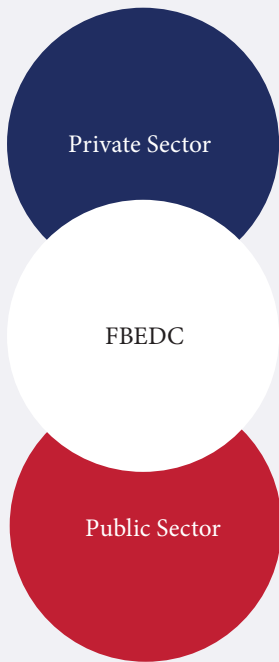
GFBEDC Mission

The purposes for which this corporation is formed are to assist in and take a leadership role in the strategic planning, implementation and communication of the economic and physical development and redevelopment of Fort Bend County including without limiting the generality of the foregoing:

- To coordinate and improve the economic vitality of Fort Bend County by promoting and preserving a positive climate for business and investment including the redevelopment of economically disadvantaged areas;
- To identify and aggressively pursue the location and expansion of qualified businesses and well-planned residential ventures to Fort Bend County;
- To participate and cooperate with other organizations and governments in support of common interests and to facilitate solutions to problems that cross geo-political boundaries.
- To help ensure that the necessary infrastructure for economic growth is in place.

			
<h3>Cooperation</h3> <p>Our communities partner to achieve more together than they could alone.</p> <p>Our members and community leaders understand that commercial development is essential to providing jobs locally to our residents and providing a growing tax base that can offset the service cost of a growing population.</p> <p>When we sit down with companies interested in our community, expect to see the city, county, school districts and special districts working together to make Fort Bend the location of choice. That's how we do business.</p>	<h3>Pro-Business</h3> <p>Corporate expansion and relocations are the cornerstone of growing successful communities.</p> <p>Maintaining a posture toward winning deals is imperative. While it is much better to gain growth without business incentives, it is far better to land a desired prospect with incentives than to lose the deal.</p> <p>We will continue to aggressively pursue incentive structures to gain new business growth and elevate strategic developments to their highest and best use.</p> <p>In this endeavor, nothing ventured, nothing gained is the mantra.</p>	<h3>Education</h3> <p>Fort Bend began its growth cycle because this community offered safe, superior schools.</p> <p>Coupled with master planned communities, Fort Bend County has become the regional leader in population growth rate and average household income.</p> <p>Good schools attract and bad schools repel. We remain focused on ensuring our school districts show fiscal responsibility, appropriate and necessary facility enhancement, and maintain low tax rates.</p> <p>Expansion of higher education has also been a priority for the organization and the FBEDC works closely with UH, TSTC, HCC and WCJC in efforts to expand capacity, programs and workforce capability.</p>	<h3>Proximity</h3> <p>Fort Bend County's location in the Greater Houston region is strategic and proximate to Houston work and entertainment centers, seaports and airports.</p> <p>That proximity is made all the more important by key transportation corridors that link people and businesses in Fort Bend County to the rest of the region. These important corridors include: Interstate 10; Interstate 69; Fort Bend Toll Road; West Park Tollway; Grand Parkway; and Highway 90A.</p> <p>Connectivity and Infrastructure are powerful motivators to our business community. Fort Bend remains well positioned for growth in the coming years.</p>

HOW WE DO IT — Public Private Partnership



Private Sector

Public Sector

FBEDC

Membership:

192 Members as of 6/30/2021





THE 87TH SESSION OF THE FORT BEND COUNTY

THE PRO-GROWTH PRO-QUALITY PRO-BUSINESS AGENDA

Fort Bend County has led the way over the last 3 decades in the Houston Metropolitan area because it provides a pro-growth, pro-business, pro-quality environment that attracts interest, people and investment. Every two years, elements of the formula that contribute to this success are discussed enhanced or threatened by legislative intervention. Things like incentives, taxes, education funding, infrastructure, health care, building codes, Homeowner Association, local mud and management district creation and this year pandemic response, and redistricting all have potential ramifications for our competitiveness and ability to continue our growth and quality trajectory we have maintained over the years.

In putting together this year's legislative priorities, Fort Bend EDC collaborated with the five regional chambers in Fort Bend County (Central Fort Bend Chamber, Fulshear-Katy Area Chamber, Fort Bend Chamber, Katy Area Chamber, and the Needville Chamber of Commerce) and consulted with City and County leaders and City Economic Development and Legislative partners to develop an agenda.

The FBEDC team met with representatives from each of the five chambers via Zoom multiple times to identify priorities that were common across the county and focused on long-term solutions that supported a pro-growth, pro-business agenda. FBEDC coordinated calls with and set up committees on five general categories to establish specific, actionable, and measurable business priorities: Economic Development, Education, General Business, Healthcare, and Infrastructure.

All chambers selected at least one representative for each area of interest. After meeting with the representatives and mining through the data and input, FBEDC prepared a draft agenda and met with the full team of representatives to incorporate feedback, make revisions, and ensure buy-in and ownership of the priorities. Once approved by the five committees, the agenda was put before and approved by FBEDC Board and the Boards of all five chambers. This regional agenda was shared with each member of the Fort Bend legislative delegation and used as the foundation of our efforts for the session.



Fort Bend County Business Collaborative 2021 Legislative Agenda



Redistricting Process

- Support redistricting efforts that increase Fort Bend representation and reflect majority Fort Bend voting populations within each Fort Bend Senatorial and House seat during the next decade.

Local Control

- Support elimination of unfunded state mandates on local government and public education bodies and/or require permanent funding (direct funding and/or grants) for those mandates and any new mandates imposed on those entities.
- Oppose additional property tax and revenue cap legislation and exclude and exempt economic development incentives from property/revenue tax calculations as related to existing property tax and revenue cap law.
- Allow local economic development corporations flexibility to use restricted use revenue sources (e.g. sale use tax, hotel occupancy tax) on a temporary basis to support city operations, and emergency initiatives during a Disaster Declaration as declared by the Governor of Texas.
- Refine HB2439, returning control to local municipalities to regulate building materials and requirements for residential and commercial enterprises.
- Support a fair and transparent process for appraisals.

General Business

- Support legislation that provides legal liability protections to entities providing services to persons that contract a virus identified in a pandemic national emergency declaration by a US President.
- Support policy and funding for expanded broadband and 5G wireless deployment that induces and/or increases high speed data connectivity to the home in urban, suburban and rural communities.

Economic Development

- Support the reauthorization of Chapter 313 as is, set to sunset December 31, 2022.
- Oppose any efforts to erode or restrict use of current economic development tools including but not limited to economic development sales tax corporations (Type 4A and 4B), tax abatement (Chapter 312), Tax Increment Reinvestment Zones, Chapter 380 and 381 agreements, the Freeport Tax Exemption, Hotel Occupancy Tax and Texas Enterprise Zone Program, to name a few.
- Support expansion of 380 and 381 economic development agreements to allow land to be used, transferred, conveyed, or swapped and ensure that Chapter 380 and 381 agreements entered into by local governmental bodies are provided the necessary assurances required to acquire long term financing.
- Support Sugar Land, Richmond and Katy's rights to continue participation in the qualified hotel project program and receive a refund or rebate of various state and local taxes to finance the construction of a qualified hotel project.

THE TEXAS LEGISLATURE BUSINESS AGENDA



87TH SESSION RESULTS

The 87th Texas legislative session wrapped up the last day of May, and additional special sessions are expected. During the regular session, significant progress was made on the priorities established by the county's collaborative business legislative agenda.

Redistricting is delayed for lack of census data, but will be addressed in a special session, likely in October 2021.

Local Control issues were less dramatic than in past sessions, and adequate funding eliminated much of the issues of unfunded mandates and education shortfalls. The ability of the cities and county to utilize an advocate in the legislative process is intact.

General Business issues were led by legal liability protections being extended to those providing services to those who contract the virus.

Major Infrastructure and support for expanded broadband and 5G wireless throughout the state was passed. A permanent oversight group will manage this process going forward.

Healthcare

- Provide additional autonomy for mid-level health care providers, particularly in rural and underserved communities, to increase access to care and bring down healthcare costs.
- Continue the relaxed regulation environment for telehealth services and advance funding for underserved communities to increase telehealth education and access to the equipment necessary.
- Provide financial incentives for healthcare providers to encourage the incorporation of telehealth services in their practices and institutions to increase access to care and lower healthcare costs.
- Maintain funding levels for mental health services.
- Maintain and fully fund the Medicaid shortfall from 2019.
- Support the maintain funding for a safety net for trauma and rural hospitals.

Education & Workforce

- Fully fund the public-school finance system.
- Delay and/or provide waiver protection for up to two years to public school districts for mandated curriculum enhancement programs and teacher incentive packages to overcome operational issues and the fiscal burden caused by COVID-19.
- Provide sustainable state funding for the programs defined in HB3 in the 86th Legislative Session and provide local discretion to meet the needs of the students, particularly supplementation of the lost revenue from the 2.5 percent cap on valuations, full day Pre-K, and safety, security, and mental health programs.
- Continue to incentivize weighted funding for career and technology pathways.
- Develop a funding calculation to public school districts that includes remote and hybrid learning modalities within the district as a result of COVID-19 and its aftereffects.
- Institute a moratorium on state testing requirements on public schools for the 2020-2021 school year to enable districts to remediate the effects of learning loss caused by COVID-19.
- Provide Tuition Revenue Bonds to the University of Houston (UH) at Sugar Land for a second College of Technology Building, allowing for the entire College of Technology to relocate to UH Sugar Land Campus.
- Provide Tuition Revenue Bonds to Texas State Technical College in Fort Bend County to address additional training lab capacity; and, fully fund TSTC's performance-based financial formula based on job placement and earnings.

Infrastructure

- Oppose eliminating local tolling options.
- Raise or Index the gas tax in Texas to support transportation funding and/or provide enhanced funding or alternative funding for transportation projects.
- Support the development and implementation of a user fee for vehicles using alternative fuels.
- End diversions of the transportation revenues for non-transportation purposes.
- Support and protect the use of Eminent Domain for strategic infrastructure projects that enhance the quality of life for a community.
- Support enhanced funding for freight transportation infrastructure projects to address economic and population growth.
- Support local option fees for road improvements/additions as approved by local authorities.
- Support current weight requirements for vehicles operating on county roads, except for local proposals approved by local authorities.
- Maintain funding and expand eligibility programs to ensure efforts for state flood planning and resiliency.

page 2 of 2

Economic Development priorities saw mixed success.

Legislation was passed extending the deadline to 2027 for qualified hotel project programs including Richmond and Missouri City.

The legislature did not reauthorize Chapter 313 which allowed school districts to enter into agreements with businesses limiting the taxable value. The Program has been suspended and will be addressed as part of a reconsideration of the State Economic Development Code during the interim or in Special Session.

Healthcare issues specified in the Business Collaborative agenda were positively impacted. Senator Kolkhorst's Chairmanship of Senate HHS was critical to this advancement.

Education and Workforce issues likewise profited by increased funding made available to the state. Virtually every issue save the Tuition Revenue Bonds (TRB) was positively impacted.

The Governor announced that a \$139 B federal grant will be allocated as part of the upcoming Special Session. TRBs may well be part of that allocation.

Infrastructure issues were widely acknowledged. Local tolling and local option fees approved locally are green lighted. A road use fee which includes electric vehicles participation to help pay for roads met with approval, however, the bill died via an administrative tactic.





AAaron Property Investments
AccessHealth
Accredo Packaging, Inc.
Airia Development Company
Aldi Texas LLC
Allegiance Bank
Allen Boone Humphries Robinson, LLP
Amegy Bank of Texas
AmTrust Title
AP Solar 2, LLC
Applied Optoelectronics, Inc.
Associated Testing Laboratories
AUTOARCH Architects, LLC
BancorpSouth
BBVA Compass
Ben E. Keith Management Trust
Berg Oliver Associates
Best Buy Distribution Center #2607
BGE, Inc.
Bracewell LLP
Browne McGregor Architects, Inc.
CenterPoint Energy
Central Fort Bend Chamber
ChampionX
City of Arcola
City of Fulshear
City of Katy/Katy Development Authority
City of Meadows Place
City of Missouri City
City of Needville
City of Richmond
City of Stafford
City of Sugar Land
City of Weston Lakes
CNC Manufacturing
Coats Rose Yale Ryman & Lee, P.C.
Colliers International
Comcast
Community Bank of Texas
Compass Land Development

Continental Polybags
Costello, Inc.
Cutlass Solar LLC - Advanced Power
D.E. Harvey Builders, Inc.
DAC Engineering
Dhanani Group Inc
Dimension Energy Services
Dollar Tree
E.E. Reed Construction, L.C.
EHRA Engineering
Emerson Automation Solutions Final Control US LP
Escalante Golf (Blackhawk Country Club)
First Colony Community Association
FiServ Output Solutions
Fluor Corporation
Fort Bend Chamber of Commerce
Fort Bend County
Fort Bend County LID # 2
Fort Bend County LID #10
Fort Bend County WC & ID No. 2
Fort Bend Independent School District
Fort Bend Industrial Development Corp
Fort Bend MUD #118
Fort Bend Solar - Acciona
Fort Bend Subsidence District
Freese & Nichols
Frito-Lay, Inc.
Frost Bank
FS Group Architects
Fulshear-Katy Area Chamber of Commerce
Geotest Engineering, Inc.
Gulf Coast Water Authority
Half Associates
Harrison Interests, Ltd.
Heavy Construction Systems Specialists
Helix Infusion Therapy
Hexion, Inc.
Holoway Jones Law Firm LLC
Houston Community College System, SW
Houston Landscapes Utd.
Houston Methodist Sugar Land Hospital
Houston Southwest Airport
HR Green
HR In Alignment, LLC
Hudson Products Corporation | Chart Industries
Huitt-Zollars, Inc.
ICO Commercial
IDCUS Inc
IDS Engineering Group
Imperial Linen Services, Inc.
Interiorscapes of Houston
Jacobs Engineering Group, Inc.
Johnson Development Corporation

KALUZA, Inc.
 Kansas City Southern
 Katy Area Chamber of Commerce
 Katy Area Economic Development Council
 KDW - Kingham Dalton Wilson
 Kelsey-Seybold Clinic
 KenWood & Associates, P.C.
 Lake Management Services, LP
 Lamar Consolidated ISD
 Legacy Ford
 Linbeck Group
 Linebarger Goggan Blair & Sampson, LLP
 LJA Engineering, Inc.
 Lovett Industrial
 M.D. Anderson Cancer Center - Sugar Land
 Marsh Wortham, a division of Marsh USA Inc
 Masterson Advisors LLC
 McDonald & Wessendorff Insurance
 Memorial Hermann Sugar Land Hospital
 NewFirst National Bank
 Newland Communities
 NewQuest Properties
 Niagara Bottling, LLC
 OakBend Medical Center
 Odyssey Engineering Group, LLC
 Orsted
 Pamela Printing Company
 Paradigm Consultants, Inc.
 Perdue Brandon Fielder Collins & Mott
 Perry Homes
 PFM Financial Advisors
 Pioneer Bank
 Planned Community Developers
 Port Freeport
 Post Oak Municipal Advisors LLC
 Prosperity Bank
 R.G. Miller Engineers, Inc.
 Regions Bank
 Republic Services, Inc.
 Resolution Real Estate Services
 Rice & Gardner Consultants, Inc.
 Rich Products Corporation
 Richfield Real Estate Corporation
 Riverpark on the Brazos POA
 Robert Hebert and Associates
 Roberts Markel Weinberg Butler Hailey PC
 Rosenberg Development Corporation
 Rosenberger Construction, LP
 S&B Infrastructure, Ltd.
 Satterfield & Pontikes Construction Inc
 Schlumberger
 Schwartz, Page & Harding, L.L.P.
 Si Energy
 Si Environmental, LLC

Sienna Plantation LID
 Sienna Plantation MUD #1
 Sienna Plantation MUD #2
 Southwest Electronic Energy Group
 Spirit of Texas Bank
 Sprint Fort Bend County Landfill, LP
 Stafford 59 & Airport, LP | The Grid
 Stafford Municipal School District
 Stantec
 Stewart Title Company
 Storm Water Solutions, LLC
 Sueba USA
 Sugar Land Baseball (Sugar Land Skeeters)
 Sweetwater Country Club
 Tax Tech, Inc.
 Taylor Morrison of Texas, Inc.
 TDECU
 Terracon, Inc.
 Texas Instruments
 Texas State Technical College
 The First State Bank of Louise-Sugar Land
 The Hunton Group
 The Muller Law Group, PLLC
 Toll Brothers
 Tolunay-Wong Engineers, Inc.
 Trammell Crow Company
 Tramontina USA, Inc
 TranSystems Corporation Consultants
 Transwestern
 Tristar Holdings, Inc.
 Twinstar Bakery
 Twinwood U.S., Inc.
 Union Pacific Railroad
 Universal Surgical Partners
 University of Houston
 Ventana Land Development Companies
 Vogler & Spencer Engineering
 Warren Alloy
 Waterworld USA, Inc.
 Wharton County Junior College
 Whitley Penn LLP
 Windstream Communications
 WJ Interests, LLC
 Woodforest National Bank
 Workforce Solutions

