Greetings friends and colleagues,

2014 was another year of remarkable economic growth for Pearland, with sales tax revenues reaching a record $25.8 million for the city. In keeping with the community’s shared vision for sustaining this growth, the Pearland Economic Development Corporation (PEDC) continued its focus on implementing the Pearland 20/20 Community Strategic Plan. We made progress in many of the plan’s key initiatives – from economic development marketing to the Lower Kirby District to corridors and beautification.

We brought more than $74 million in capital investment to the community, welcoming Mitsubishi Heavy Industries Compressor Corp, Dover Energy and Keystone Engineering Group as Pearland’s newest employers. Continuing our focus on health care and life sciences, we celebrated the opening of Merit Medical’s new facility. Through partnerships with HCA and Memorial Hermann, Pearland completed its first full-service hospital, with the second to be finished in 2015.

PEDC championed redevelopment and beautification projects. Initial clean-up of the 288 Corridor was completed and construction will start on our first gateway monument in 2015. We also began a redevelopment strategy for SH 35, one of Pearland’s oldest and principal corridors, which will provide the “big picture” actions needed to encourage more investment in the Corridor.

We look forward to the opportunities that 2015 will bring. The PEDC board of directors and staff will work to sustain our position as one of the most effective and efficient economic development organizations in the nation. Working with the city of Pearland and our numerous community partners, we will continue using the Pearland 20/20 plan as our guide to ensure that Pearland’s current and future employers, as well as residents, remain prepared for continued population and economic growth. In everything that we do, PEDC will continue to demonstrate that the best business opportunity in Houston is due south.

Sincerely,

Rushi Patel — Chair

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

Mitsubishi Heavy Industries Compressor Corp. selects Pearland for first U.S. facility
In January, Mitsubishi Heavy Industries Compressor Corp. broke ground on its first U.S. manufacturing facility in Pearland's Lower Kirby District. Located on a 26-acre site on Kirby Drive, the 100,000-square-foot manufacturing and service facility will house approximately 100 employees who will produce, service and market compressors to serve the growing demand of North American chemical customers. The facility is estimated to bring $40 million in investment to the community.

Keystone Engineering Group to build new facility in Pearland
After 10 months of courtship from PEDC, Keystone Engineering Group selected a site in Pearland for its new office and manufacturing facility in December. The $6 million, 45,000-square-foot facility, which will consolidate several regional sites, will be located on a 23-acre site on McHard Road near SH 35. It will be home to approximately 70 employees, including office and administrative staff, machinists and inspectors.

Dover Energy opens new Pearland facility
Dover Energy, a division of diversified global manufacturer Dover Corporation, opened a 150,000-square-foot manufacturing and operations facility in May. The $23.8 million facility is located on a 14-acre site at the northeast corner of Spectrum Boulevard and Hooper Road in Pearland's Lower Kirby District. It houses approximately 200 employees. PEDC recruited Dover Energy to the community in 2013 when the company was looking to consolidate its multiple Texas locations into one regional facility.

Lower Kirby District
Mitsubishi Heavy Industries Compressor Corporation’s new facility will make it the newest employer in Pearland’s Lower Kirby District – a 1,200-acre district located on the western border of Pearland facing Beltway 8 South. Other developments in the district include Bass Pro Shop, Cardiovascular Systems, Inc.’s medical device manufacturing facility, Pearland Surgery Center, Dover Energy’s manufacturing and operations center, and Merit Medical’s R&D and manufacturing facility.

A key initiative in the Pearland 20/20 community strategic plan, PEDC continues to work to transform the Lower Kirby District into Pearland's most intensive mixed-use employment, residential and entertainment district. In 2014, PEDC worked in partnership with the City, the Lower Kirby Management District and Pearland Municipal Management District #1 to implement regional detention for the area. The groups approved a master drainage plan and multiple agreements to use an existing TxDOT drainage ditch east of Kirby for detention.
Adopted in 2013, the Pearland 20/20 community strategic plan consists of nine key initiatives designed to take Pearland to the next level of success as an economy and a sustainable residential location. During 2014, PEDC and its numerous community partners made great progress on many of the key initiatives.

**PEDC leads beautification efforts for City gateways and the 288 Corridor**

Creating and implementing a comprehensive beautification strategy for Pearland is an important key initiative in the Pearland 20/20 plan. In summer 2014, PEDC conducted a focus group consisting of individuals from PEDC, City staff and other community partners. Participants evaluated existing conditions and conducted multiple workshops to develop two beautification roadmaps for the City: a Gateway strategy and a 288 Corridor Master Improvements Plan.

The City Gateway Strategy outlines a final design concept, potential locations and cost estimates for new entryway monuments within Pearland. The strategy ensures that as the City grows, these structures will provide a clear definition of the City’s entry points, elevating the desirability of Pearland as a place for businesses and homeowners alike. PEDC has partnered with the City, Keep Pearland Beautiful and TxDOT on plans for the first entry feature to be constructed on Cullen Boulevard beginning in spring 2015. PEDC also began the design phase for entry monuments on Pearland Parkway and Dixie Farm Road.

The 288 Corridor Master Improvements Plan provides design concepts and landscaping plans to beautify key intersections along the 288 Corridor. Plan components include lighting, special paving, water features, sculptural elements and increased plantings along the Corridor. PEDC and the Pearland Municipal Management District #2 (PMMD#2) are coordinating with TxDOT and the Brazoria County Toll Road Authority to incorporate these elements into the existing SH 288 managed lanes project.

The plan was also adopted by the PMMD#2’s board of directors in June. Upon approval, the District began the initial clean-up of the Corridor. Funding for Corridor maintenance and long-term improvements will be the primary responsibility of PMMD#2 via its taxing authority.
PEDC begins redevelopment strategy for State Highway 35

Another key initiative in the Pearland 20/20 plan calls for optimizing development potential of commercial corridors. In August, PEDC spearheaded a redevelopment plan for State Highway 35, Pearland’s oldest major corridor. It includes several key intersections and entryways into the City that are vital to the community’s long-term image and success.

The redevelopment strategy will guide a series of phased projects over time throughout the Corridor. Coupled with the recent road improvements, this strategy will assist in turning this under-developed corridor into a vibrant and interesting space that is visually appealing, creates a sense of place and stimulates private investment.

PEDC completed the background and market analyses phases for the SH 35 Redevelopment Strategy and held several steering committee meetings with Corridor representatives. Next, the Steering Committee will prioritize parcels within the study areas with the most near-term potential for investment and reinvestment.

PEDC Invests in Hickory Slough Sports Complex

To help ensure Pearland remains a competitive recreation and cultural destination for residents and visitors, construction began on two new community sports complexes in 2014. PEDC contributed approximately $700,000 to the Hickory Slough Sports Complex project, expected to open in summer 2015. The complex, located on Max Road north of FM 518, will contain six soccer fields, concessions and restrooms.
HEALTHCARE GROWTH CONTINUES

PEDC welcomes Merit Medical to Pearland
In October, PEDC, the City and the Pearland Chamber of Commerce hosted a grand opening ceremony for Merit Medical’s new R&D and manufacturing facility. The 92,000-square-foot office building is located on a 12-acre site in Pearland’s Lower Kirby District and houses approximately 220 employees, including management personnel, engineers and production staff. The company serves client hospitals worldwide in the development, manufacture and distribution of proprietary disposable medical devices used in interventional and diagnostic procedures, particularly in cardiology, radiology and endoscopy.

PEDC and the City began working with Merit Medical in 2011 on its multi-state search for this facility, which has brought more than $14 million in investment to the community.

Construction complete on Pearland Medical Center, the City’s first full-service hospital
In late 2014, HCA’s Pearland Medical Center completed construction on its 33-bed acute care hospital on Shadow Creek Parkway. The 144,000 square-foot hospital, which opened in January 2015, features surgical suites, medical/surgical beds, intensive care beds and a 24-hour emergency department. The hospital also provides specialized imaging services and women’s services, including labor and delivery suites.

Located on 48-acres along Highway 288 and Shadow Creek Parkway, the HCA campus is also home to a full-service freestanding emergency department, imaging center and a three-story, 80,000-square-foot medical office building.

Memorial Hermann Medical Campus continues to grow
Memorial Hermann continued expansion of its 40-acre Pearland medical campus located on State Highway 288, breaking ground on two new structures. A four-story, 64-bed acute hospital, which serves as a centerpiece of the campus, will feature an intensive care unit, operating rooms, cardiac catherization labs, medical/surgical units, women’s and neonatology services. It is expected to open in late 2015. Memorial Hermann also broke ground on a 100,000 square-foot, Class A medical office building, the second on the campus.

In March, Memorial Hermann opened a Convenient Care Center on the campus. The Center provides one-stop, highly coordinated access to adult and pediatric primary care, specialty physicians, sports medicine and rehabilitation and a 24-hour emergency room.

Retail growth on Pearland Parkway
The year 2014 brought a flurry of retail activity to Pearland’s east side. In April, H-E-B opened its newest Pearland store at the intersection of FM 518 and Pearland Parkway. The 80,000-square-foot store is the retail chain’s second location in Pearland. The $7.3 million development also includes additional retail space.

Adjacent to the H-E-B development, Stream Realty completed construction on the Center at Pearland Parkway, a 165,000-square-foot power center. It is anchored by TJ Maxx and Ross and will also include retailers Palais Royal, Rack Room Shoes, Rue 21 and Five Below. The Houston Chronicle’s “Top 100” named the Center “the biggest retail project to break ground in the Houston area in 2014.”
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

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<th>FY 2014 YEAR-END ACTUAL</th>
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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 the City.

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.
Rushi Patel, Chair, joined the PEDC board in 2009. He also serves as assistant vice president for the Pearland Municipal Management District No. 2 and was recently appointed to the board of trustees for the Pearland Medical Center. He previously served as president of the Pearland Adult Reading Center board of directors and as secretary/treasurer for the Pearland Chamber of Commerce. He is president of Okmar Enterprises, LLC.

Lucy Stevener, Vice-Chair, joined the PEDC board in 2001 and previously served as chair for the Pearland Chamber of Commerce. She is the former co-owner of Pearland Animal Hospital.

Sheila Fischer, Secretary, joined the PEDC board in 2012 after previously serving on the Pearland Planning and Zoning Commission. Presently, she is a high-risk compliance consultant for the Financial Crimes Risk Management Group at Wells Fargo Bank.

Jeff Barry joined the PEDC board in 2014. A veteran of the U.S. Navy, he serves as president of the Pearland ISD Education Foundation board of directors and the Business Development Board for Hometown Bank Pearland. He previously served as a director for the Pearland Chamber of Commerce, CAP of Pearland and the Adult Reading Center. He is the principal of Barry Insurance Group in Houston.

Mona Chavarria joined the PEDC board in 2014. She also serves as a member of the board of directors for the Adult Reading Center, Pearland ISD Education Foundation and Silverlake Lions Club. Mona is also the former chair of the Pearland Chamber of Commerce board of directors. She is the president/owner of A&A Cleaning Services in Pearland.

Brandon Dansby joined the PEDC board in 2011. He previously served as chairman of the Pearland Chamber of Commerce and a board member for the Development Authority of Pearland. He is also a member of the Pearland Lions Club and currently serves as senior vice president for Pearland State Bank.

Hugh Patton, DDS joined the PEDC board in 2014. He currently serves as a vice president for the Pearland Lions Club and as a board member for the 100 Club of Pearland and the Texas First Bank Business Development Board. He is the owner of Silver Creek Dental.

PEDC staff and leadership wish to express their sincere appreciation to outgoing board members Charles Gooden, Jr., Gary Idoux and Jim Burnett for their service on the board.