

ANNUAL REPORT
2009



PEARLAND

ECONOMIC DEVELOPMENT CORPORATION



LETTER FROM THE PRESIDENT



ED THOMPSON
President

Today's economy calls for every organization to define its value to the community it serves. The Pearland Economic Development Corporation (PEDC) is no exception. As stewards of the taxpayers' hard-earned money, our value is proven by how well we use tax dollars to ensure we reap the greatest benefits for Pearland's citizens.

The PEDC's greatest value comes through diverse business retention and attraction activities. The PEDC offers competitive incentives for new business, such as business development grants, tax abatements, as well as a business retention and expansion program addressing the needs and interests of local companies.

Our value is reaffirmed as we diligently work to increase the number of available job opportunities. In addition, we develop partnerships with education organizations to ensure our workforce is qualified for these new career possibilities. The end result is improved economic stability and a desirable quality of life for the members of our fast-growing community.

For every new project brought to town, or local business assistance activity we provided, there are countless hours of partnership and planning that took place. From Class A office space to manufacturing and industry, every successful project is the result of working closely with the city's administration, the PEDC board and our regional partners, such as TexasOne and the Greater Houston Partnership.

This year's annual report chronicles the many accomplishments of the last year. I believe you will be impressed by the magnitude and diversity of the projects undertaken and how our community is evolving. It is with great anticipation I look to the new year and the changes it will bring.

Sincerely,

A handwritten signature in black ink, appearing to read "Ed Thompson". The signature is fluid and cursive, with a long horizontal line extending to the right.

Ed Thompson
President

BOARD & STAFF MEMBERS

OFFICERS



Thompson



Gooden Jr.



Stevener

ED THOMPSON, *President*, has served on the board since November 2003. Thompson's community leadership also includes the Pearland ISD Board of Trustees, Pearland Chamber of Commerce Board, the Pearland Rotary, the Coppinger YMCA and the Pearland Adult Reading Center. Ed also currently serves on the Board of the Northern Brazoria County Education Alliance. He has been a State Farm Insurance agent in Pearland since 1982.

CHARLES D. GOODEN JR., *Vice President*, served as Vice-Chair of the Pearland Planning and Zoning Commission and Vice-Chairman of Commerce Development for the Pearland Chamber of Commerce prior to his appointment to the PEDC Board. Presently, Charles is Vice President of Support Services at Charles D. Gooden Engineers, Inc.

LUCY STEVENER, *Secretary*, has served on the PEDC board since 2001. She was Chairman of the Board for the Pearland/Hobby Chamber of Commerce in 1998. She is co-owner and hospital administrator for Pearland Animal Hospital.

DIRECTORS



Evenson



Idoux

KURT EVENSON joined the PEDC Board in November 2009. Previously, he served on the City of Pearland Charter Review Commission. He has almost 25 years of experience working as an administrator in the Texas Medical Center at Baylor College of Medicine.

GARY IDOUX joined the PEDC Board in 2006. He also serves as Chairman for the Brazoria County Toll Road Authority, is on the boards of the Rotary Club of Pearland and Forgotten Angels, and is a former Chairman of the Pearland Chamber of Commerce. He has served as Market President for Capital Bank in Pearland since 2002.

MIKE O'DAY serves on the PEDC Board and the Northern Brazoria County Education Alliance. He served as a member of the Texas House of Representatives from Pearland (Dist. 29) in the 80th legislature and represented Matagorda and parts of Brazoria County. He is the owner of O'Day Drilling Company and the CFO for Hydroflo Pumps USA.

RUSHI PATEL joined the PEDC Board in 2009. He is the President of Omkar Enterprises, LLC. His experience includes securing financing, negotiating land deals, meeting city and county requirements for planning construction projects, developing and executing strategies for marketing, operations, quality control, and planning annual budgets.



O'Day



Patel

EXECUTIVE STAFF



MATT BUCHANAN
Executive Director
mbuchanan@ci.pearland.tx.us

*PEDC welcomes Matt Buchanan
as the new Executive Director.*

RAMÓN LOZANO
*Assistant Director of Economic
Development*
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KYLER S. COLE
Director, Business Development
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JENNY BRANNON
Economic Development Specialist
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JANICE VEGA
Office Coordinator
jvega@ci.pearland.tx.us

*Back from left to right: Cole, Lozano, Buchanan
Front from left to right: Vega, Brannon*

A DESTINATION CITY



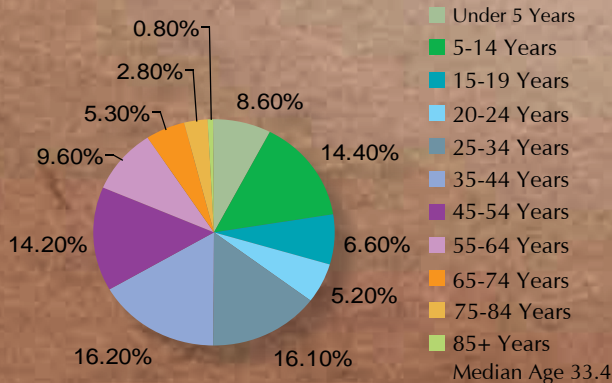
CSI Diamondback 360[®] PAD System

Pearland is a destination city for life science companies, because it meets all the important location factors – proximity to major universities, skilled labor pool and accessible/affordable real estate.

Case in point, Cardiovascular Systems, Inc. (CSI) recently selected Pearland as the home of its second manufacturing facility in the U.S. This leading medical device manufacturer is developing and commercializing innovative, interventional treatment systems for vascular disease. Through strategic partnerships and resourceful incentives, the PEDC was instrumental in bringing this biotech target to the city. The PEDC teamed with Texas Governor Rick Perry’s office and the Greater Houston Partnership to create a winning proposal. The package included the PEDC constructing the 46,000-square-foot manufacturing facility and leasing it back to CSI for a 10-year term. The PEDC also worked on a job creation and equipment grant worth \$3.5 million.

The facility will support the production of a minimally invasive catheter used for treating peripheral arterial disease and other products. This investment in CSI is expected to bring approximately 250 jobs to Pearland over the course of five years.

ESTIMATED POPULATION BY AGE



COMMUNITY INFORMATION

Average Household Income	\$94,007
Median Household Income	\$75,653
Per Capita Income	\$32,710
ESTIMATED POPULATION DEMOGRAPHICS	
Total Population	104,855
Population Density (Pop/Sq Mi)	1,906.50
Total Households	36,278

COMMUNITY FACILITIES

Hospitals	10 within a 20-mile radius
Hospital Beds	1,239+
Hotels (4)	579 rooms
Motel	45 rooms
Medical Clinics	41
Churches	65
Newspapers	
Daily	1
Weekly	3
Television	
Public Access	City View 16
Radio Stations	23 AM & 25 FM

GENERATING RESULTS WITH CARE

The PEDC's mission is the Creation, Attraction, Retention, and Expansion of business. The work of continuing to make Pearland a great place to do business paid dividends in 2009 when several businesses chose Pearland for their facility needs. Examples of success include:

Eagle Hangers – Company president, Sonny Ha, selected a 90,000-square-foot warehouse facility on Fite Road in Pearland as the company's headquarters. Eagle Hangers is one of the nation's largest manufacturers of disposable, steel wire garment hangers for the dry cleaning, uniform rental and textile industries.

Freese and Nichols – The Texas-based architecture and engineering firm selected a 10,000-square-foot office space above the retail stores at Pearland Town Center to expand its regional offices. The PEDC provided project assistance to seal the deal.

ZT Shadow Creek Business Center – After several years of planning, Pearland's first Class A office space completed construction and signed its first tenant in 2009.

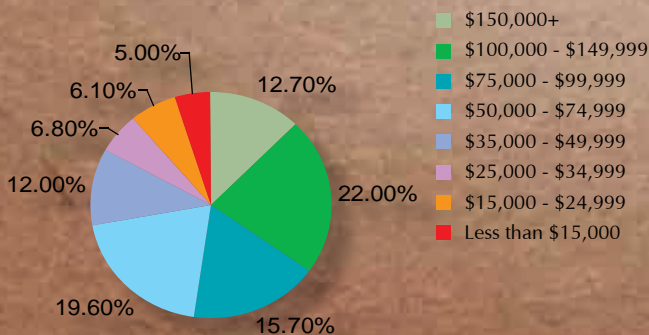
Local Pearland businesses also benefited from the PEDC's retention and expansion efforts. One example is Aggreko, LLC, the global leader in generator rental.

The company received a \$93,000 grant to make property improvements along Magnolia Drive. Aggreko plans to have more than 110 employees in Pearland within the next five years.



ZT Shadow Creek Business Center Rendering

ESTIMATED HOUSEHOLDS BY INCOME



TAXATION

TAX RATE (Per \$100 Assessed Value)		SALES TAX	
City of Pearland	\$0.652600	City of Pearland	1.5%
Brazoria County (including R&B)	\$0.381701	Brazoria County	0.5%
Brazoria Drainage District #4	\$0.143845	State of Texas	6.25%
State of Texas	None	Total	8.25%
Corporate	None		
Personal	None		
Pearland ISD	\$1.419400		
Alvin ISD	\$1.328200		
Alvin Community College	\$0.199832		

IN WITH THE OLD ...



2009 marked the launch of the Pearland Old Townsite Business Coalition. This group of concerned citizens and business owners generates ways to restore the beauty and history of this treasured part of Pearland.

The initial district improvements included the installation of historic, ornamental street signs and the design of a new entryway monument sign. The completion of these projects will establish an architectural design standard that will help instill a more consistent image for the district.

The Coalition also unveiled a new brand identity for Old Townsite that was incorporated into a Web site landing page and brochure for marketing the district.

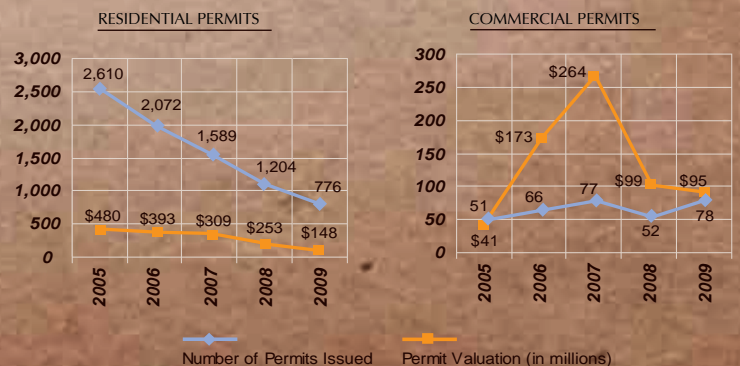
As part of its plan to create a city center that celebrates its rich history, the PEDC is assisting the redevelopment efforts of businesses in Pearland’s Old Townsite by offering grants for commercial façade improvements, historic signage and commercial platting, and property rehabilitation.

Keep America Beautiful, a national nonprofit organization, awarded the PEDC, in partnership with Keep Pearland Beautiful, a \$10,000 “Think Green” grant for its efforts in encouraging local solutions to improve community environments. Pearland is one of 15 cities in the U.S. and the only city in Texas to win a grant.

2009 PERMIT ACTIVITY

SINGLE-FAMILY HOME			COMMERCIAL		
Month	Homes	Valuation (in millions)	Month	Permits	Valuation (in millions)
January	32	\$6	January	8	\$4.8
February	50	\$9.6	February	6	\$2.7
March	57	\$11.3	March	6	\$17.6
April	49	\$10	April	2	\$17.4
May	41	\$8.6	May	3	\$3.5
June	158	\$29.7	June	2	\$1
July	97	\$18.4	July	4	\$11.1
August	69	\$13.5	August	7	\$4
September	29	\$5.4	September	4	\$11.9
October	72	\$13	October	8	\$7
November	65	\$12.5	November	10	\$12
December	57	\$9.6	December	18	\$1.4

PERMITS 2005-2009



ACTING LOCALLY

BIZCONNECT

Supporting and enhancing the area’s businesses are central to the PEDC’s mission. Through BizConnect, a partnership between the PEDC and the Pearland Chamber of Commerce, the PEDC devotes time and resources to assist Pearland businesses and remain informed on the issues that influence the local economy.

In 2009, BizConnect conducted 25 official business visits and countless unofficial visits. Representatives helped identify resources and solutions for area businesses preparing to expand or seeking assistance during economic struggles. These activities resulted in property enhancements and training solutions for Pearland’s own. In addition, the team helped with the permitting process and to clarify city policies. BizConnect’s key future initiative is

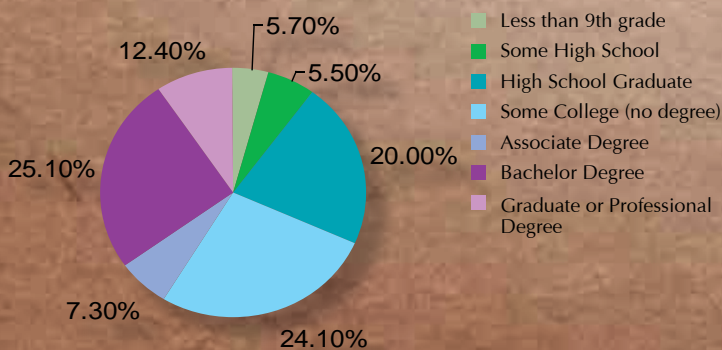
to launch an improved Web resource that features “first-to-know” information, a resource directory and much more.

ENHANCEMENT OF LOCAL WORKFORCE

The Northern Brazoria County Education Alliance received a \$150,000 grant from the U.S. Department of Labor, Employment and Training Administration. The funds are reserved for expanding entry-level worker training programs, with an emphasis on high-demand skills and certifications in the manufacturing sector – a growing industry in Brazoria County. The PEDC funded the creation of NBCEA in April 2008 to promote the development of a well-qualified area workforce.



EDUCATIONAL ATTAINMENT



ESTIMATED EMPLOYMENT AND BUSINESS STATISTICS

Population Age 16+	77,493
In Labor Force	56,451
Employed	53,522
Unemployed	2,820
In Armed Forces	109
Not In Labor Force	21,042
Number of Employees (Daytime Population)	23,594
Number of Establishments	2,379

A YEAR OF CHANGE

A new year brings with it change in the form of new goals, initiatives, challenges and opportunities. For the PEDC, 2010 will be an exciting year of change.

This change begins with new leadership. The PEDC welcomes new Executive Director, Matt Buchanan, and four new board members. Their focus will be to continue to find ways to make the PEDC a value-added resource by implementing the strategies identified in the 2009-2013 strategic plan.

With new leadership at the helm, the PEDC will take this opportunity to renew the organization's brand identity to

reflect the innovative team and progressive city it represents. A new, interactive Web site will be developed to serve as the PEDC's primary marketing driver and information resource.

A new home is also on the horizon in 2010. The PEDC will move into the new University of Houston-Clear Lake Pearland Campus upon its fall completion. This move reflects the PEDC's commitment to cultivating new opportunities, creating synergistic connections and supporting the continued development of the city's already skilled workforce.



University of Houston-Clear Lake Pearland Campus Rendering

MAJOR EMPLOYERS

COMPANY	DESCRIPTION	EMPLOYEES
Kemlon Products & Development Co., Inc.	Current-Carrying Wiring Device Manufacturing	325
Packaging Service Co., Inc.	Packaging and Labeling Services	235
TurboCare	Turbine Manufacturing and Repair	180
Weatherford	Oil Field Equipment Manufacturing & Services	175
Profax	Welding	160
EMS	Pipeline Service and Repair	150
Pauluhn Electric Mfg.	Vehicular Lighting Equipment and Equipment Rental/Leasing	150
ShawCor	Pipe Sales and Service	150
Baker Hughes	Support Activities for Oil & Gas Operation	100

A number of new initiatives will foster the PEDC's CARE mission – Creation, Attraction, Retention and Expansion.

- CSI will begin product production by summer 2010, which equates to the creation of new jobs.
- The strategic development and marketing plans for The Spectrum at Clear Creek will be finalized and tactical implementation will commence to attract target industry to this premier mixed-use business and lifestyle development. To view the closing presentation based on the preliminary assessment findings, please visit www.pearlandedc.com/about_pedc and click on "The Spectrum at Clear Creek."
- The PEDC will continue to meet with and generate incentive programs to support the retention and expansion of its local businesses.

The economy will continue to serve as the biggest challenge in the year ahead. The PEDC realizes that challenging times demand innovative solutions and is ready to serve.



Top: WaterLights District in The Spectrum
Bottom: Kirby Drive reinvented with light rail

MAJOR EMPLOYERS (CONT.)

COMPANY	DESCRIPTION	EMPLOYEES
Driver Pipeline Co., Inc.	Water and Sewer Line/Related Structures Construction	100
Dynamic Lighting, Inc.	Fabricated Pipe and Pipe Fitting Manufacturing	95
Texas Honing, Inc.	Machine Shops	95
Aggreko, LLC	Commercial & Industrial Machinery and Equipment Rental/Leasing	90
Houston Tubulars, Inc.	Support Activities for Oil and Gas Operations	85
Third Coast	Terminals Tanks, Storage, Manufacturing	85
Air Specialist Heating & Air Conditioning Co.	Plumbing, Heating, and Air-Conditioning Contractors	80
Atlas Baker, Inc.	Support Activities for Oil and Gas Operations	80
Protech Screens, Inc.	Wood Window and Door Manufacturing	80

PEDC INCOME STATEMENT

The PEDC was created in 1995 by the voters under the Texas Development Corporation Act of 1979. The Corporation is financed by additional sales tax of a half-cent. State law allows the City to collect this sales tax to assist in the promotion, enhancement and development on behalf of the City.

The Board of Directors are appointed by and serve at the discretion of the City Council. City Council approval is required for annual budgets and bonded debt issuance. The role of the Corporation is to provide guidance and funding for the operations of the City's economic development program and provide business incentives to support and promote the growth and diversification of the City's economic base. Various programs run through the Economic Development Department.

	FY 2008 ACTUAL	FY 2009 AMENDED BUDGET	FY 2009 YEAR END PROJECTION	FY 2010 ADOPTED BUDGET
OPERATING REVENUES				
Sales Tax	\$ 6,049,035	\$ 6,961,117	\$ 6,925,681	\$ 7,099,359
Interest Income	332,311	160,000	188,095	59,700
Bond Proceeds			8,020,000	7,535,000
Transfers In	546,515		14,500	247,000
TOTAL	6,927,862	7,121,117	15,148,276	14,941,059
EXPENDITURES				
Operating	1,283,919	1,817,634	1,922,373	2,054,303
Incentives	298,758	1,808,170	4,232,467	2,321,000
Transfers Out	716,415	6,276,363	6,097,775	5,639,080
Bond Payments	1,414,369	1,416,144	1,646,144	2,264,948
Inventory	4,544	5,000	5,000	2,500
Capital		280,000	11,183,685	1,146,455
TOTAL	3,718,006	11,603,311	25,087,444	13,428,286
NET CHANGE IN FUND BALANCE	3,209,856	(4,482,194)	(9,939,168)	1,512,773
FUND BALANCE - BEGINNING	9,347,313	12,557,169	12,557,169	1,828,001
RESERVE FOR MYKAWA		(1,000,000)	(500,000)	(1,000,000)
DEBT SERVICE RESERVE			(790,000)	(654,140)
FUND BALANCE - ENDING	\$ 12,557,169	\$ 7,074,975	\$ 1,328,001	\$ 1,686,634

FAREWELL AND WELL WISHES



FRED WELCH

The PEDC said goodbye to one of Pearland's most committed economic development advocates this last year. In December, Fred Welch, former executive director of the PEDC, became the vice president of marketing and recruitment for the San Angelo Chamber of Commerce.

The PEDC is fortunate to have had Welch's dedication and service for the last seven years. Under his leadership, numerous successful business retention and recruitment activities changed the face of Pearland, including the debut of its first Class A office building, the ZT Shadow Creek Business Center; securing world-class medical manufacturing company Cardiovascular Systems, Inc.; as well as playing a part in growing Pearland's workforce through the creation of the Northern Brazoria County Education Alliance.

Welch, with his outgoing and warm personality and commitment to the growth and well-being of Pearland, will be missed. The PEDC board of directors and the City of Pearland extend our thanks and appreciation to Welch and are certain that he will bring as much success to San Angelo, Texas as he has to Pearland.



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DISTANCE FROM PEARLAND TO ...

Hobby Airport (HOU)	3 Miles
Texas Medical Center	8 Miles
NASA – Johnson Space Center	11 Miles
Port of Houston	20 Miles
George Bush Intercontinental Airport (IAH)	30 Miles
Port Freeport	49 Miles
Austin	210 Miles
San Antonio	240 Miles
Dallas	290 Miles

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