

Proposed Incentive Policy Assessment



Economic Incentive Policy Analysis

January 2026

Analysis performed by



Scope of Research

1. Reviewed TEDC and City's past use of incentives
2. Reviewed current policies (formal or informal) utilized by TEDC and the City with respect to incentives.
3. Evaluated current incentive use/policies in comparison to existing TEDC and City Council strategic goals, economic vision, and strategic plan.
4. Solicited feedback on observations and preliminary findings from TEDC Board and Tomball City Council.

TEDC Assessment and Findings

1. TEDC offers similar incentive programs to comparable communities.
2. TEDC follows best practices in conducting economic/fiscal impact analyses.
3. TEDC follows best practices in ensuring the community has a positive ROI for each project.
4. TEDC guidelines and application processes are well documented and defined.
5. TEDC approval process for certain programs can be lengthy.

Other Incentive Findings

1. Depending on land price and location, there may be an opportunity to develop another TEDC business and technology park.
2. The upcoming FM 2920/Main Street Reconstruction Project will likely be disruptive to many businesses.
3. There is strong support for local businesses, providing new offerings to residents, and quality of life projects.
4. Questions were raised regarding both eligibility for and local awareness of TEDC programs.
5. TEDC may benefit from enhanced coordination and communication about activities and programs.

Recommendations & Actions

1. TEDC and City Council should ***develop a shared definition of economic development “success”*** that provides guidance for use of incentives, considering:
 - Return on investment → long-term fiscal sustainability
 - Quality of life projects → attract and retain residents
 - Diverse employment base → live AND work in Tomball
2. Adjust ***TEDC activities and focus areas to align with the newly adopted Tomball Comprehensive Plan.***

Recommendations & Actions

3. TEDC should ***adopt an ethics policy*** that defines “conflict of interest,” as well as rules for staff and Board members to follow in such situations.
4. TEDC should ***present monthly updates to City Council*** regarding incentive projects and return on investment.
5. TEDC should ***expand marketing and outreach to increase awareness of current programs and incentives offered*** to existing local businesses.

Recommendations & Actions

6. Consider an ***accelerated approval process for some grants and incentives***. Options might include:
 - As-of-right policy determination by TEDC staff
 - Delegation of City Council approvals to City Manager
 - Ratification of TEDC approvals
 - Periodic submission deadlines for grant review

7. Create an ***incentive program focused on the redevelopment of older retail centers and commercial corridors***.
 - Focus of this program should be the owners of the shopping center to encourage substantial updates and capital investment in the overall site – not tenant specific.
 - Prioritize high-visibility locations for program.

Recommendations & Actions

8. TEDC should ***create a Main Street Business Stabilization Program*** to help businesses during TxDOT multi-year reconstruction project.
 - Program should include strategies to improve access, customer parking, and local consumer support.
 - Financial grants to impacted businesses owners.
 - Funding requirements may necessitate multi-year funding plan by TEDC and/or City.
 - Consider reserving some TEDC funds in advance of project to minimize strain during construction period.

Recommendations & Actions

9. TEDC should ***prioritize its budget around catalytic projects and high ROI investments*** when establishing the annual budget, such as:
 - First Baptist Church
 - South Live Oak Redevelopment
 - Quality-of-life capital improvement projects
10. Consider the expanded use of ***Tax Increment Financing (TIRZ) as an incentive tool*** to support the development of the First Baptist Church and South Live Oak Redevelopment.

Recommendations & Actions

11. TEDC should consider ***defining the minimum qualifications*** for several incentive programs:

- Job Creation/Retention Performance-Based Grant Program
- Target Infrastructure Grants

Proposed Incentive Policy Assessment



Economic Incentive Policy Analysis

January 2026

Analysis performed by

