

Regular Tomball EDC

Agenda Item

Data Sheet

Meeting Date: May 13, 2025

Topic:

Consideration and possible action by Tomball EDC to approve, as a Project of the Corporation, an agreement with Pegasus Properties 2, LLC to make direct incentives to, or expenditures for, assistance with infrastructure costs required or suitable for the promotion of new or expanded business enterprise related to the construction of a commercial office/retail development to be located at 28310 TX-249, Tomball, Texas 77375. The estimated amount of expenditures for such Project is \$260,639.00

- Public Hearing

Background:

The Tomball Economic Development Corporation has received a request from Christy Bowen, Director of Leasing and Development, Fox & Graham, LLC, for assistance with infrastructure costs related to the construction of a commercial office/retail development.

Kyle Fox and Clay Graham at Fox & Graham, LLC is a 50% owner of Pegasus Properties 2, LLC. Fox & Graham Real Estate has successfully developed over 500,000 SF of new construction multi-tenant retail space since 2015. In 2022, they partnered with Shane Wilson to create Pegasus Properties 2 to continue creating community driven developments like Tomball Mercantile.

The development will consist of two standalone buildings, totaling 28,425 square feet. The first building will be approximately 13,200 square-foot and will feature an 8,000 sq. ft. family-oriented Mexican Restaurant named La Viva Cantina. The second building will be 15,225 sq. ft. that is designed to accommodate a wide range of vibrant, high-end retail and restaurant space. The projected capital investment for the project is \$10,460,395.00.

The eligible infrastructure improvements include water, sanitary sewer, storm drainage, electric and gas utilities, and related site improvements totaling approximately \$1,303,193.00.

Targeted infrastructure that will promote the development and expansion of business enterprise is a permissible project as outlined in Texas Economic Development Legislation. If this project is approved, it will go to the Tomball City Council for final approval by resolution at two separate readings.

An economic impact analysis is included with the agreement to show the impact of this project of Tomball's economy. Per the analysis, the 5-year net benefit of this project on Tomball's economy is \$933,467.00.

If the agreement between the TEDC and Pegasus Properties 2, LLC is approved as a Project of the Corporation, the grant funding amount will not exceed \$260,639.00, based on 20% of the actual expenditures for the eligible infrastructure improvements.

Origination: Christy Bowen, Owner, Fox & Graham, LLC

Recommendation: Staff recommends approval of the Performance Agreement with Pegasus Properties 2, LLC

Party(ies) responsible for placing this item on agenda: Kelly Violette

FUNDING (IF APPLICABLE)

Are funds specifically designated in the current budget for the full amount required for this purpose?

Yes: X No: If yes, specify Account Number: # Project Grants

If no, funds will be transferred from account # _____ To account # _____

Signed	Approved by
Staff Member-TEDC Date	Executive Director-TEDC Date