



**James J. McGraw Jr.**

D: 513.639.3968

jmcgraw@kmkllaw.com

January 7, 2022

Kelly Violette  
Executive Director  
Tomball Economic Development Corporation  
29201 Quinn Road, Suite B  
Tomball, TX 77375

Re: Project Hanks

Dear Kelly:

On behalf of our client, Project Hanks, we respectfully request the support of the Tomball Economic Development Corporation and Tomball City Council for the Company's new distribution center as you and I have discussed. This support is needed as part of our final decision to locate in the City. Our client is a Fortune 500 major national retailer with facilities across the country.

The Company is in the process of relocating its City of Houston distribution center to a much larger, more modern facility. The Company's site selection process has prioritized the City of Tomball as an ideal location for its distribution operations and its employees. We are in the final stages of negotiating a lease for 900,000 square feet, which will provide substantial opportunities for growth in future years. The property is located at 99 Pines Business Park, Grand Parkway & Highway 249, Lovett Industrial. The Company plans to utilize 500,000 square feet of the space to relocate all of its current Houston distribution operations, which focuses most heavily on furniture, bedding and also toy fulfillment during peak season to regional and other Texas retail stores. The Company anticipates a second phase expansion utilizing the additional 400,000 square feet in future years, which may include fulfillment capabilities for its .com business.

The Company plans to invest \$45 Million to accomplish this project over the next couple of years with \$31 Million dedicated to material handling equipment, \$7 Million for the building and \$1.8 Million for systems hardware. Construction and outfitting is anticipated to commence in the second quarter of 2022, targeting the launch of operations in June, 2023. The Company plans to initially employ 103 full time equivalent jobs with an average annual payroll of \$3.6 Million.

The Company is very excited about this opportunity with the City of Tomball and looks forward to a very meaningful partnership with the City for many years to come. As the

**KMK Consulting Company LLC**

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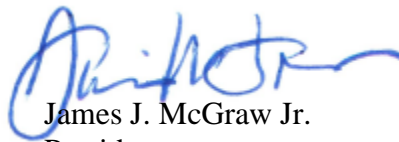
Kelly Violette  
January 7, 2022  
Page 2

Company finalizes its decision, the Company is very grateful for the support and encouragement of the EDC and Council.

Thank you for your consideration of this request.

Sincerely,

KMK CONSULTING COMPANY, LLC

A handwritten signature in blue ink, appearing to read "J. McGraw Jr.", is positioned above the printed name.

James J. McGraw Jr.  
President

JJM:cmm

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