



The local and regional economies have been the driving force behind much of the growth in Pearland over the last decade. Our organization continuously strives to build and support the local economy. Revenues from property taxes, sales and hotel occupancy tax revenue that result from development incentives, are some of the items that are considered in determining the health and vibrancy of our local economy. Economic growth and development are critical aspects of our City’s ability to serve citizens with the quality of life, mobility, and access to services they require.

Although entities like the Pearland Economic Development Corporation (PEDC) and the Convention & Visitors Bureau (CVB) are actively charged with developing our local economy, economic development is really everybody’s business within the City. Parks & Recreation programs help define our community and attract new residents, interactions with the Police Department give assurance that this is a great place to live and do business, fire inspections help prevent problems and protect property, and Community Development responds to inquiries and helps guide projects. Everyone at the City contributes to economic growth because as our local economy grows, so does the City of Pearland.

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FY22 White Paper



To: Clay Pearson, City Manager

From: John McCarter, Interim Finance Director

CC: Matt Buchanan, President, PEDC
Eric Roche, Budget Officer

Date: February 5, 2021

Re: Economic Outlook Factors Affecting the General Fund

The purpose of this paper is to discuss general economic factors impacting revenue for the City of Pearland General Fund as well discuss standard practices for budgeting and projecting General Fund revenues.

The local, national, and global economies have been upended by the ongoing COVID-19 Pandemic. With first cases being reported here in Texas in March, the City began planning efforts to mitigate the spread and plan for economic impacts right away. An in-depth discussion of market factors is discussed in other papers we have published. The purpose of this document is to look back at FY20 to see how these market factors impacted the City's General Fund revenue and look ahead to the future.

FY20 Debrief

In planning for the wildly unknown impacts of COVID-19 Staff took a conservative approach. Projections for FY20 were adopted in May/June 2020, which means they were based on information known in April 2020, less than a month into the local outbreak. Details are discussed further in prior memorandums, but generally, Staff cut many secondary spending items from the budget in anticipation of a sharp decline in elastic revenue sources (those likely to change based on short-term market forces) for the balance of FY20.

Looking back at FY20, General Fund revenue *outperformed* projections made in May/June 2020 by \$2.9 million (3%). Some classifications like Fines & Forfeitures (\$1.6 million projected) and Parks & Recreation Charges for Services (\$987K) that were expected to be drastically impacted by COVID-19 performed roughly as projected in May/June 2020. However, Sales Tax (\$21.5 million) and License & Permits (\$3.6 million) outperformed projections by a combined \$2 million (8%).

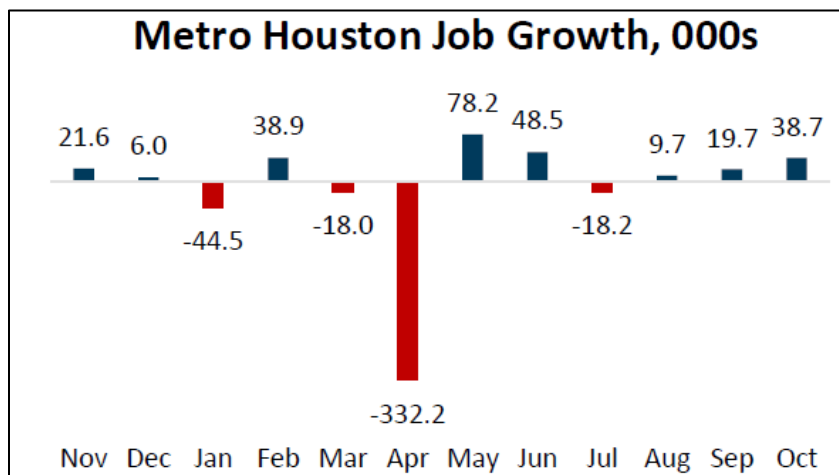
National, Regional and Local Economic Picture

According to an analysis by *The Economist*, the US economy will not recover to 2019 levels until late calendar year 2021 and the global recovery will be uneven, with small nations heavily reliant on tourism leading the recovery while larger, more established nations, like the US, recovering more slowly as supply chains and global demand bounce back¹. This week, the Congressional Budget Office released a report projecting that the US economy will return to pre-pandemic size

¹ The World in Numbers. (2020). *The Economist: The World in 2021*, 101-109.

by mid-2021, although, importantly, the report is pointing to GDP as a metric, not unemployment². Understanding that the recovery is likely to be slow and uncertain, planning for any kind of post-COVID-19 bump in in Pearland in 2021 would be unwise.

Further, much uncertainty remains about the future of the pandemic and the post-pandemic economy. Last year's recession was shortest in American history³ but the recovery is ongoing. The current national unemployment rate of 6.7% is almost double the unemployment rate from a year ago (3.5%). As of December 2020, nonfarm payroll employment is *down* to 140K from the prior month after seven months of growth⁴. In March and April 22 million jobs were lost nationwide⁵. Locally, the Gulf Coast Region unemployment rate in October (the latest available data) is at 7.7%, down from 14.2% in April 2020⁶. Pearland's unemployment rate of 5.5% in October was lower than the regional and national rate. In October (the latest available data), 38,700 jobs were added in the Houston area. Notably, there was job growth across all sectors of the local economy, except for manufacturing⁷. 350K jobs were lost in the Houston areas in March and April.



Much uncertainty remains about the future of the national and local economy. It is unclear whether the job national loss in December is an indicator that the economy is backsliding or if this is just a temporary setback on the radar as the economy recovers.

The Greater Houston Partnership published their Economic Outlook for 2021 in December, projecting job

growth between 35,000 and 50,000, which falls short of a full recovery from the job losses in Spring 2020. Their forecast is calling for growth in all sectors, except energy and retail⁸.

The situation continues to evolve quickly. In December, the first vaccines were approved and distributed to eligible US citizens but the timeline for nation-wide availability of the vaccine and exactly when the nation will achieve 'herd immunity' is unclear (Currently the World Health Organization does not believe that will occur in 2021⁹).

² The Economy Is Improving Faster Than Expected, the U.s. Budget Office Says, Adding Another Twist To Stimulus Talks. Jim Tankersley - <https://www.nytimes.com/2021/02/01/business/economy/cbo-economy-estimate.html>

³ The Stock Market Is Ending 2020 At Record Highs, Even As the Virus Surges and Millions Go Hungry Heather Hamza Shaban - <https://www.washingtonpost.com/business/2020/12/31/stock-market-record-2020/>

⁴ Bureau of Labor Statistics. (2021, January 8). THE EMPLOYMENT SITUATION — DECEMBER 2020 [Press release].

⁵ U.s. May Have Lost Jobs in December For First Time Since April Amid Covid-19 Surges Paul Davidson - <https://www.usatoday.com/story/money/2021/01/07/jobs-report-2020-u-s-may-have-lost-jobs-dec-first-time-8-months/6583574002/>

⁶ COVID-19-Related Labor Market Information [Workforce Solutions]. (2020, December 4).

⁷ Houston Area Employment Situation [Workforce Solution]. (2020, October).

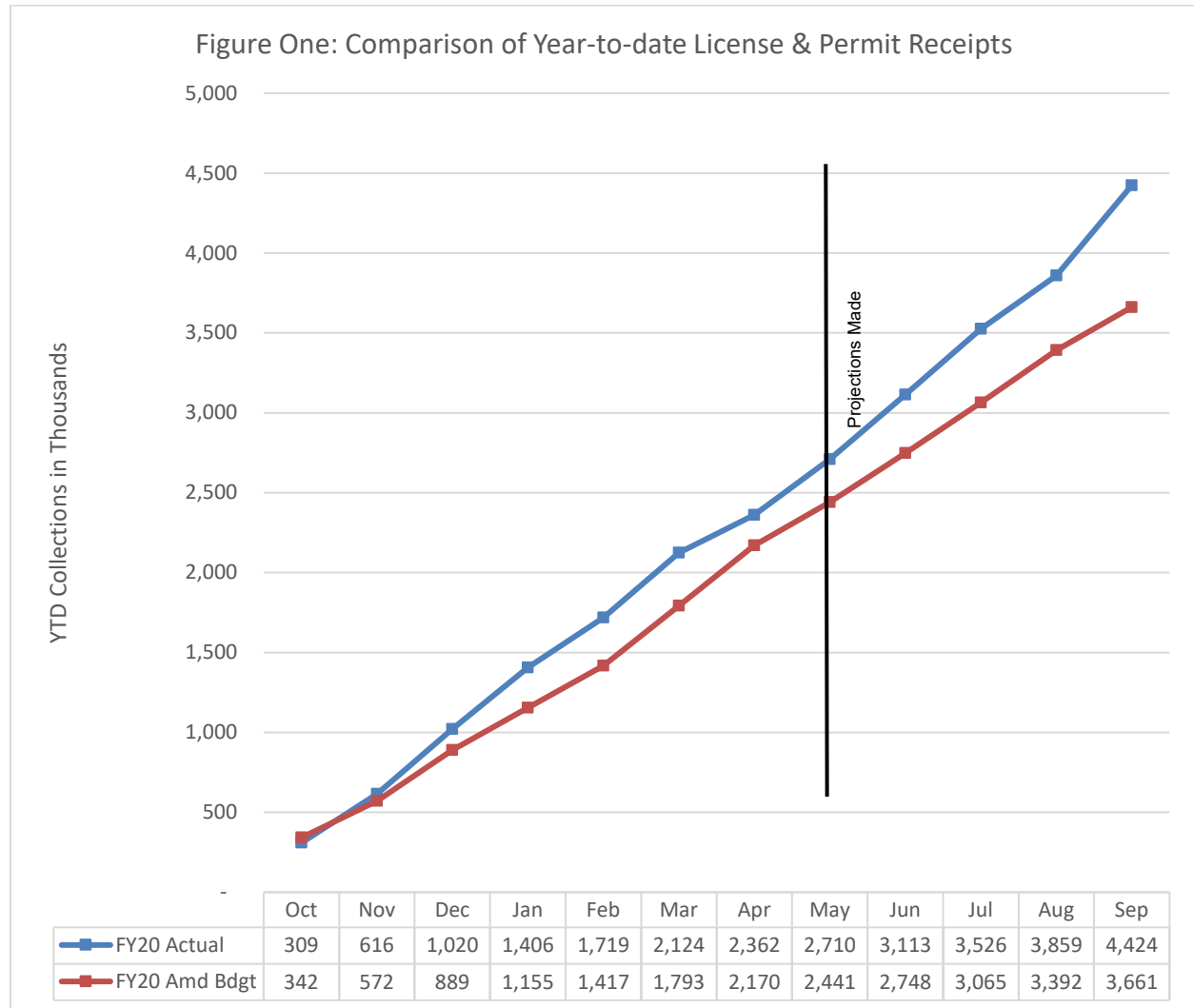
⁸ Houston Employment Forecast. (2020, December). Greater Houston Partnership.

⁹ Covid Herd Immunity Will Not Happen in 2021, Says Who: Dw: 11.01.2021 Deutsche (www.dw.com) - <https://www.dw.com/en/covid-herd-immunity-will-not-happen-in-2021-says-who/a-56197701>

Understanding all the above, Staff will remain conservative when managing revenue projections in FY21. As discussed later in this White Paper, the conservative estimates used in the Adopted Budget will serve us well as we plan.

Development Activity

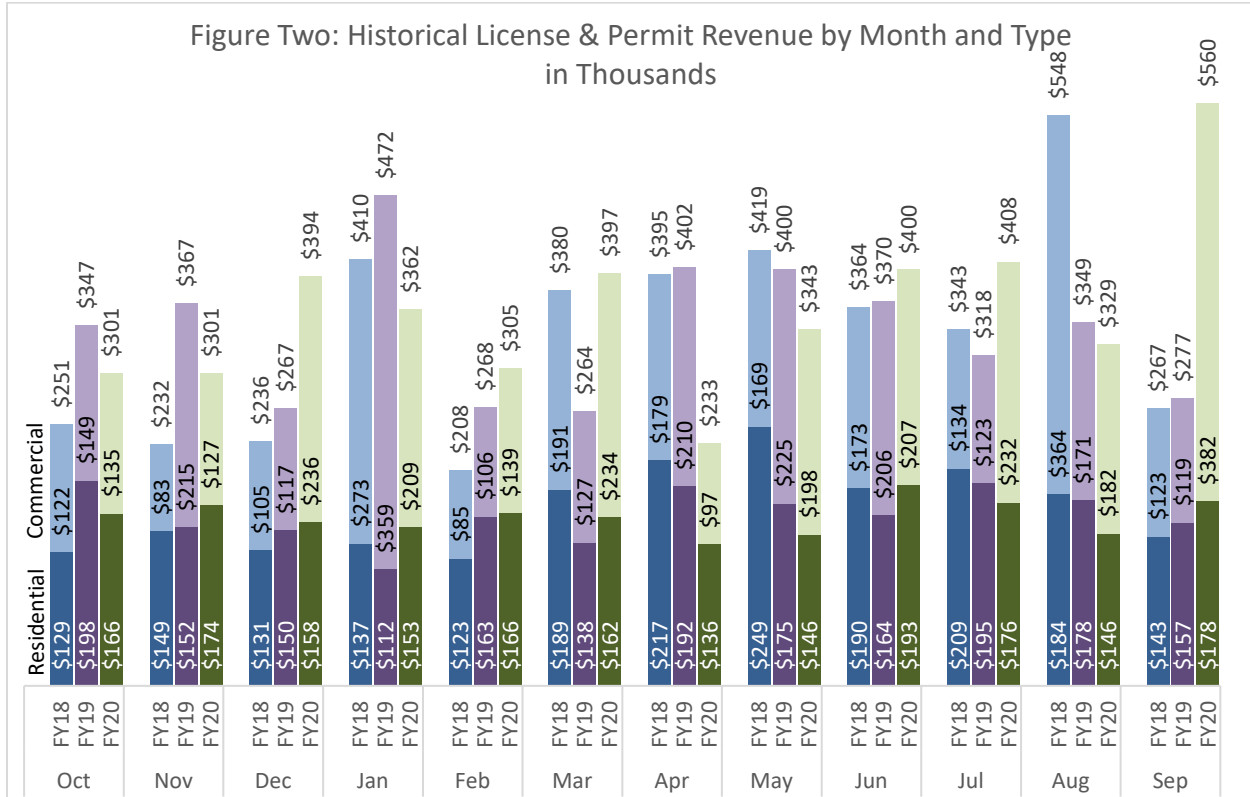
FY20 License & Permit Revenue exceeded the projected amount by \$762K, or 21%. Figure One illustrates the YTD actual compared with the Amended Budget; the black line indicates when Budget Amendment #2 (Projections) was compiled by staff. At that time, overall License & Permit revenue exceeded YTD Amended Budget by roughly \$270K. As illustrated by the blue line, revenue remained above the YTD budget amount to finish the year \$762K over budget.



While development activity is certainly tied to larger market forces, there is often a lag between when a market shock occurs and when revenue to the City drops because the private development decisions are lengthy and complex. For instance, in almost all cases builders in Pearland require an executed contract before ground is broken on a new home. On the commercial side, expansion of existing facilities or construction of new facilities is usually tied to long-term strategic and financing plans, with the actual construction of the facility just one step in a larger vision. Understanding this reality, Staff anticipated the drop in revenue to occur in mid-

Summer, when it was thought the recession would lead to less liquidity in the market, rather than right away.

As shown in the chart below, development has continued, despite the disruption in the market. A sharp drop occurred in April when initial lockdowns occurred but in three of the final six months of the fiscal year, revenue exceeded the previous year.



Looking at the chart above, it is clear that commercial development (shown in the lighter hues), which tends to come in waves as large projects are approved, drives the big spike in revenue. However, residential (shown in the darker hues) was relatively steady in the last four months of the fiscal year.

In hindsight, there are several reasons why projections underestimated the actual amount of revenue. First, Staff anticipated that construction services would be halted by some type of lockdown. They were not. Construction was deemed an essential service from the beginning so, unless a specific company opted to stop construction, development was never interrupted¹⁰.

Second, the recession that occurred in the wake of COVID-19 impacted different business sectors and socioeconomic classes differently. Record unemployment and lockdowns led millions of Americans to rely on unemployment benefits through this pandemic but those who worked in sectors not impacted by COVID-19 (or even those that saw an increase in business) and could work from home were not impacted at all, or in some cases, have benefited financially.

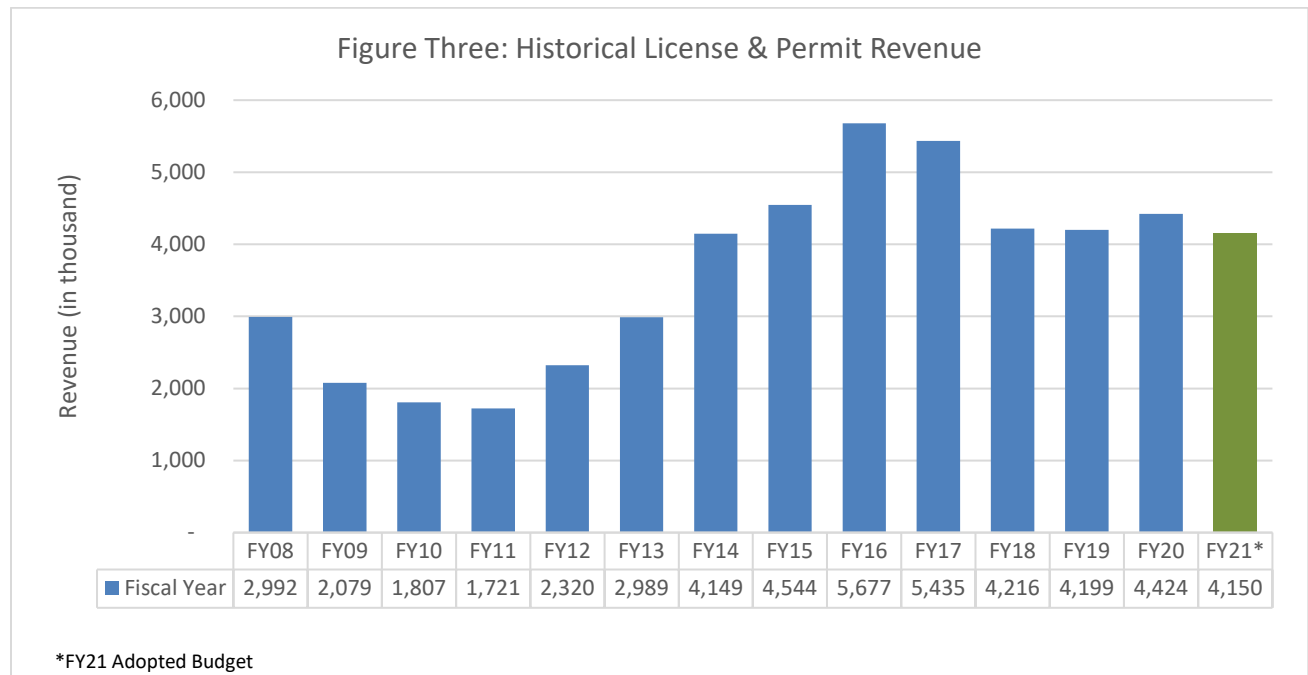
Third, anecdotal evidence suggests that suburban communities like Pearland, where larger, more affordable homes can be built, may be a mid- to long-term beneficiary of the new work-from-home reality many Americans are facing. Some suggest that those who lived in apartments or condos

¹⁰ Wilshusen, F. (2020, April 2). Abbott’s Order Allows Construction to Continue. Retrieved from <https://www.texcon.org/NewsBot.asp?MODE=VIEW&ID=28296>

in urban centers to be close to work can now work remotely from a larger single-family home. As shown in the most recent Quarterly Community Development Report, Pearland has the most new housing starts in the first quarter of FY21 since 2017.

While it is certainly good news that the City exceeded projections for license & permit revenue, revenue in this classification is down \$1.5 million (26%) from the recent peak in FY16. The peak in FY16 and much of the revenue in FY17 was driven by large-scale commercial development, which can be sporadic and hard to predict.

The City does continue to see steady residential development, with development over the past few fiscal years leveling out from its previous highs. The City has seen a reduction in revenue from residential development, which is down \$643K from FY17 and \$931K from FY16. During FY20 the City issued 658 Single Family Building Permits, 159 less than last year and 799 less than the past decade peak of 1,457 in FY15.



Looking ahead, although Pearland remains one of the fastest growing cities in the country, we have few large tracts of available land for development. Projects like Massey Oaks (950 single family unit tentatively breaking ground in 2022) and the Ivy Apartment complex will continue to drive revenue in FY21. The Great Houston Partnership is projecting growth in single family development in the coming year, which could bode well for the City as developments continue adding rooftops in Pearland¹¹. While the number of residential permits dropped relative to last year, the first quarter of FY21 saw the most housing starts the City has seen in four years. All these indicators point to cautious optimism for FY21.

Sales Tax Revenue Overview

Sales Tax not only provides us with a direct indication of how our local economy is operating, it is also the second largest revenue source in the General Fund and largest source for the Pearland Economic Development Corporation. Sales Tax is a very elastic revenue source, meaning it is susceptible to swings as economic conditions change.

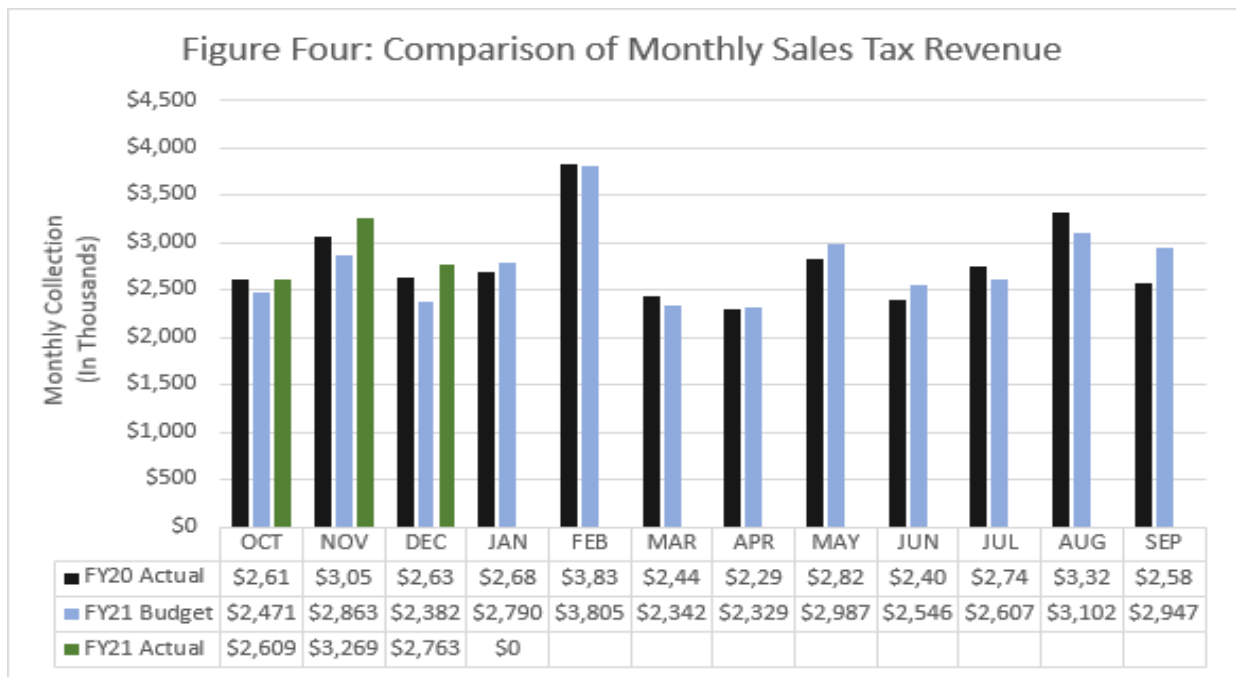
¹¹ Houston Employment Forecast. (2020, December). Greater Houston Partnership.

Similar to License & Permit revenue, staff use historical data to determine the monthly budgeted collection. It is important to keep in mind that the collections happen two months after the actual sale of goods (notice the big spike in February, which is for December sales). The 2018 South Dakota v. Wayfair case mandated that that businesses without a physical presence in a state with more than 200 transactions or \$100,000 in-state sales collect and remit sales taxes on transactions in the state. Pearland received \$22K from sellers that did not remit to any one city directly for online activity in December (October sales). This does not include sellers that do remit directly to purchasers (i.e., Amazon). Staff will continue to monitor and flag if the amount received grows.

In FY20 sales tax exceeded the monthly budget eight out of 12 months, finishing the year \$1.1 million over budget in the General Fund. The Adopted FY20 Budget contained a projected 1.5% increase from the FY19 actual. At mid-year, responding to COVID the projection was changed to a .6% decrease from FY19 actual.

The FY21 budget contains a 1.3% decrease in the General Fund over FY20 *actual*. Looking at YTD figures in Figure Four, sales tax receipts for FY21 have tracked above projections exceeding the budget for the last three months. The monthly budgeted amounts are calculated using a forecasting tool for calendar year 2020 and a 1% increase over FY19 current period collections for the remaining months.

Through December, the City is tracking above that estimate. Staff will continue to monitor receipts and bring any recommended adjustments at mid-year.



Digging deeper into the Sales Tax data, clear trends emerge. National retailers, which make up all of the top 12 sales taxpayers for the last 12 months, have driven growth during this pandemic. The City has experienced double digit growth in retail sales in most months since April, while sectors like telecoms, lodging, food services and manufacturing have lagged. Retail trade is by far the largest segment of our sales tax base, making up 53% of receipts.

Industry Segment Collections Trend - YoY % Chg						
SEGMENT	Aug	Sep	Oct	Nov	Dec	Jan
Retail Trade	18.6%	10.3%	18.5%	20.9%	28.2%	18.6%
Lodging, Food Svcs	-0.4%	-3.6%	-4.0%	5.5%	5.7%	-0.7%
Telecom	4.6%	-32.6%	-36.1%	-35.1%	-36.6%	0.4%
Utilities	-20.2%	-29.7%	-29.2%	-20.3%	-22.2%	-7.1%
Manufacturing	-8.9%	-8.9%	-16.5%	4.7%	-22.4%	-10.5%
All Others	7.0%	-19.1%	-16.7%	-4.7%	-20.6%	2.4%
Total Collections	9.1%	-3.0%	-0.1%	6.3%	4.1%	9.4%

It is important to note that last month a second round of stimulus was approved, which includes direct payments to individuals and another round of Payment Protection Program (PPP) funding. Direct payments to individuals undoubtedly resulted in more sales tax revenue to the City as more people stayed home, although the exact amount is impossible to calculate. 1,886 businesses received PPP loans, amounting to a \$110 million cash infusion to local businesses. Another round of stimulus is currently being negotiated at the national level.

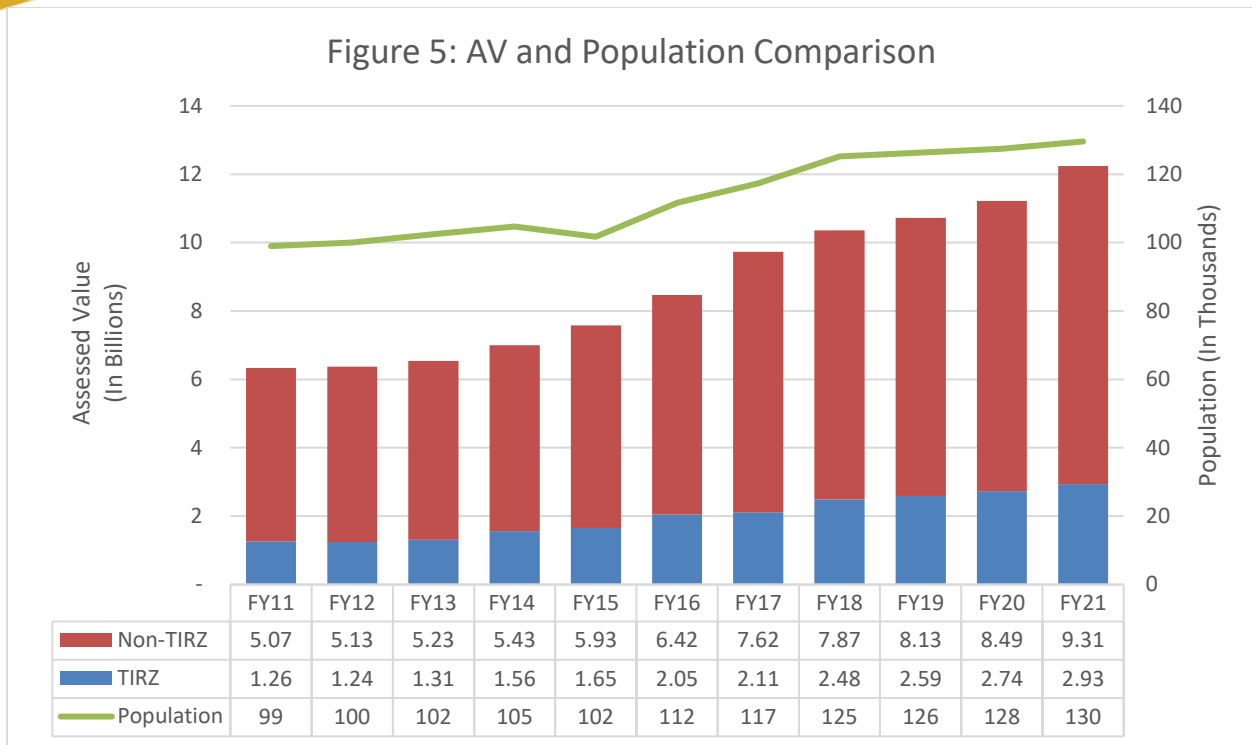
Looking ahead, Staff will remain conservative in projecting sale tax. While many cities around the country saw a sharp drop in sales tax activity, Pearland has seen an increase in the months after COVID-19 so, while other cities may anticipate a first bump as a new normal emerges,, that would be not be wise to assume here in Pearland.

Property Tax Revenue

Although property tax revenue is the least elastic revenue, meaning least likely to change due to short-term market conditions, it is impacted by the market in the long term. Fluctuations in housing prices and development patterns in one year directly impact property tax revenue the following year. As the largest source of funding for the City’s General Fund and Debt Service Fund, property taxes are arguably the most important component of the City’s budget.

Over the last ten years, the City has grown substantially, both in terms of population and total valuation. Figure 5 compares the growth in Assessed Value (AV) to the growth in population, which is only one factor of many that drives changes in the AV. One may assume that the City’s growth in AV is a result of growth in population, however, **since FY11, the population has only grown 31% while the AV has grown 93%**. This is because that growth in valuation is not just driven by more rooftops, but by increased valuation on existing homestead properties and an increase in the commercial valuation, both from new and existing growth.

Figure 5: AV and Population Comparison

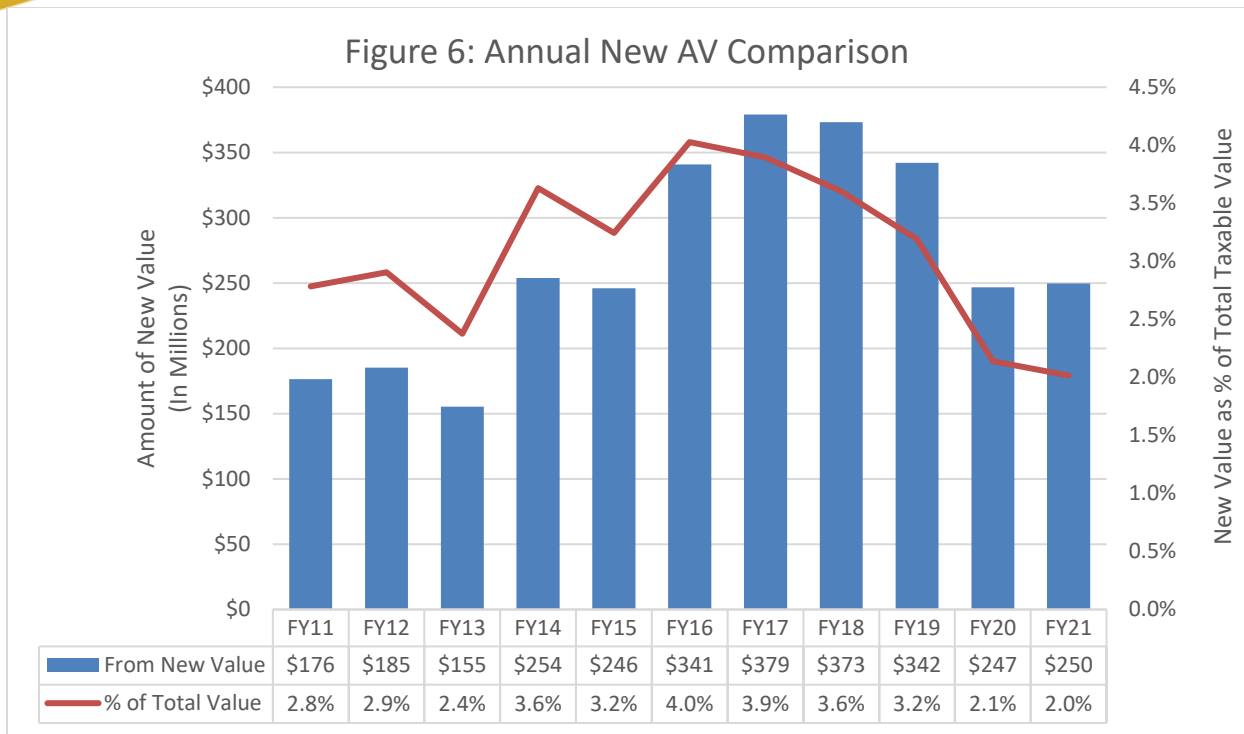


As discussed previously in this White Paper, the City has seen a relative slow-down in development within the City, both in terms of number of permits processed and valuation. Historically, we have relied on valuation estimates provided by builders through the permitting process to project new construction value coming onto the tax rolls. However, during the latest session, the Legislature passed a new state law prohibiting the City from collecting valuation for single-family development. As shown in the most recent Community Development Quarterly Report, in *calendar* year 2020 the overall valuation of development was up 3.5% over the prior year, which could be a positive indicator for new valuation coming onto the tax rolls in the future. It is worth noting that some of that increase is driven by 2019 Bond projects like Fire Station #4 and the Animal Shelter, which will not translate to tax dollars for the City.

These patterns mean that a relatively steady amount of new construction value is being added to the tax base each year, albeit less than was added in high-growth years. That new construction value is important not only because it represents an expansion of our tax base but also because new construction value is not subject to the same caps as existing value the first year it is on the tax rolls, meaning the City does not lose Taxable Value for Homestead exemptions.

As shown in Figure 6, the amount of new construction value added to the tax rolls slightly increased this year after three years of decreasing. Although new construction value represents a small amount of the overall taxable value, it drives much of the annual increases in revenue the General Fund and Debt Service Fund see every year.

New construction value recently peaked in FY17, which represents revenue from Tax Year 2016 (appraised values as of 1/1/2016). Looking back development activity during that time, we see the highest activity in terms of valuation on construction projects, permit revenue and number of permits issued. Understanding that development activity is a leading indicator for new construction value added to the tax base, we should expect new construction value added to continue to stay relatively steady in FY22 (appraised values as of 1/1/2021) based on the permit revenue and number of permits issued being relatively consistent with prior years.



When projecting the City’s tax base, **changes to existing properties is far and away the most impactful measure.**

Budgeting Process for Elastic Revenues

The primary measure used to drive projections has been YTD actuals. YTD performance is not always indicative of performance in future months. When compiling the FY20 projections, Budget staff has worked closely with Community Development and PEDC staff to better understand large projects that are on the horizon or unique circumstances that have impacted YTD totals. TRAKiT and New World Systems have advanced searching and reporting features that allow staff to parse out large developments from smaller standard permitting revenue in order to better understand what type of development is driving revenue. **Leveraging all of these resources has paid off, with revenue exceeding projections this year.** Although License & Permit revenue will always be susceptible to economic swings, we have worked as a group to better understand the factors driving development.

Building permit revenue is essentially driven by four “buckets” or categories, all which have different drivers and indicators:

1. **New Single Family.** Steady year-to-year, but declining. Best indicator is ongoing platting activity. Much of this revenue is driven by tract home development, which may decrease in the out-years.
2. **Multi-Family.** Historically has been steady, but ongoing projects for the most part have come to an end in Shadow Creek Ranch. Continue to see senior housing developments that makes up some of the difference.
3. **Commercial/Industrial.** Most susceptible to swings. Driven by large projects like Endress Hauser and Lonza but can be difficult to project as these projects can vary in scope and timing depending on a number of factors. Large box store development that has driven AV growth for years is limited in the future.

4. **Everything Else.** This includes things like electrical, plumbing and HVAC remodeling projects to commercial and residential that occurs naturally. This is typically relatively steady but also impacted by economic factors.

Attachments

City of Pearland Sales Tax Reports (Staff & HdL)

City of Pearland Quarterly Community Development Report

6 January 2021
 To: Mayor and City Council members
 Strong month revenue receipt for sales tax in Pearland, up nearly eight percent for the month on current period; budget YTD up nearly 10% over conservative budget. Clay

Sales Tax Overview



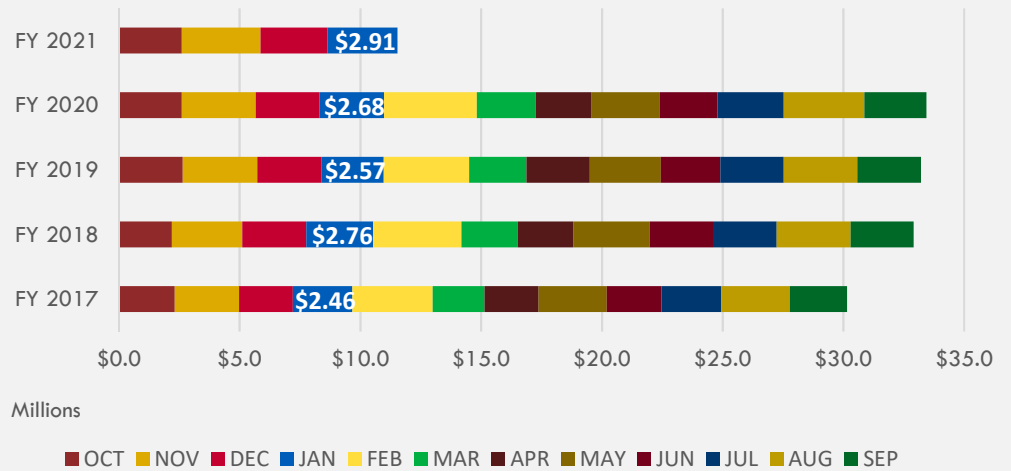
- **Period: January Collections for November Sales***
- **Net Payment:** \$2,907,290
- **Total Net Collections Increase/(Decrease) Compared to January 2020:** \$224,559 or 8.4%
- **Over/(Under) FY20 YTD:** \$558,689 or 5.1%
- **Over/(Under) FY21 January Adopted Budget:** \$116,946 or 4.2%
- **Over/(Under) FY21 YTD Adopted Budget:** \$1,041,788 or 9.9%

	FY 2020 ACTUAL	FY 2021 BUDGET	FY 2021 ACTUAL
JANUARY	\$2,682,731	\$2,790,344	\$2,907,290
YEAR-TO-DATE	\$10,988,881	\$10,505,782	\$11,547,570

*The results are dependent upon the timeliness and accuracy of sales tax payers' returns. This payment from the State represents taxes collected on sales that occurred primarily in the month of November 2020 for both General Fund and PEDC Fund combined.

**Service Fee is payable to the State of Texas
 February 2021

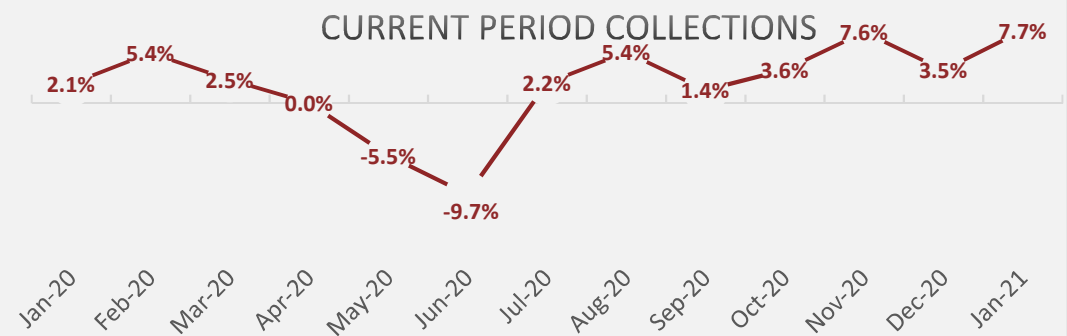
Net Sales Tax Payment Comparison By Month FY 2017 - FY 2021



CURRENT PERIOD COLLECTIONS

Current period collections provide a more accurate indicator to the City's economic health. There was an increase of \$240,238 or 7.7% this January when compared to January 2020 current period collections.

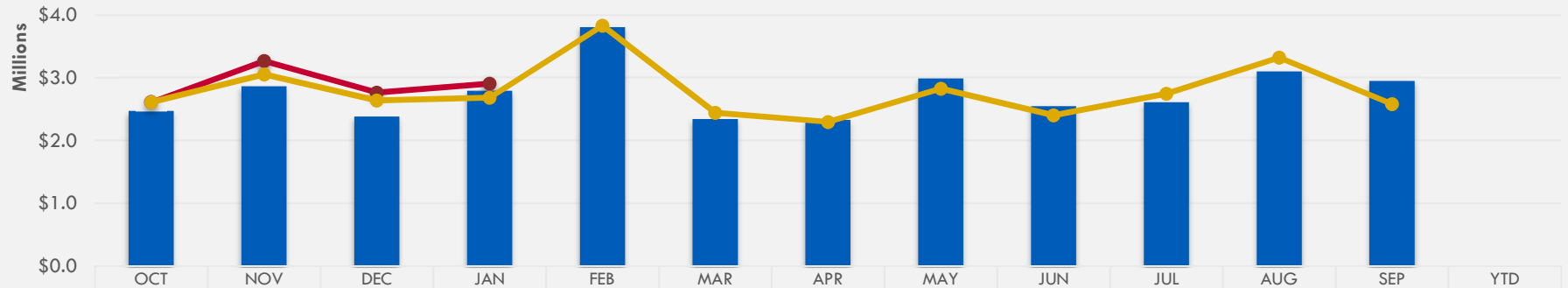
COLLECTION DETAIL FOR CITY SALES TAX	JANUARY 2020	JANUARY 2021	CHANGE
Current Period Collections	\$ 2,641,113	\$ 2,845,351	7.7%
Other Collections:	54,792	56,637	3.4%
Audit Collections:	42,678	67,856	59.0%
Service Fee**:	(54,772)	(59,397)	8.4%
Retainage:	(1,081)	(3,158)	192.1%
Net Payment	\$ 2,682,731	\$ 2,907,290	8.4%



Early Budget Input Session

Tab 5: Healthy Economy, Page 13

FY21 Monthly Adopted Budget and Actual Compared to FY20 Actual



	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	YTD
FY 2021 BUDGET	2,470,949	2,862,573	2,381,916	2,790,344	3,804,888	2,341,673	2,328,559	2,986,644	2,546,184	2,607,033	3,101,986	2,946,755	10,505,782
FY 2021 ACTUAL	2,608,525	3,268,598	2,763,157	2,907,290									11,547,570*
FY 2020 ACTUAL	2,610,880	3,056,780	2,638,491	2,682,731	3,834,531	2,441,057	2,297,117	2,826,634	2,404,332	2,745,176	3,325,447	2,580,450	10,988,881

*FY21 YTD collections for General Fund and PEDC Fund combined are \$1,041,788 over the adopted budget; of this, \$29,740 is due to audit collections. The General Fund is \$671,840 over the adopted budget, and PEDC is \$369,948 over the adopted budget including audit collections.

FY21 YTD Collections Compared to FY20

CITY	YTD
LEAGUE CITY*	18.3%
McKINNEY	10.6%
MISSOURI CITY	8.6%
PEARLAND	5.1%
FRISCO	5.1%
BAYTOWN	0.8%
GALVESTON	-0.9%
PLANO	-1.6%
PASADENA	-3.7%
ROUND ROCK	-5.1%
HOUSTON	-6.3%
THE WOODLANDS	-8.8%
SUGAR LAND	-11.9%

Year-to-date collections for Pearland are up 5.1% compared to last year. This period reflects payment from the State for sales that occurred in the months of August 2019 through November 2020.

January 2021 net payment up \$224,559 or 8.4% from January 2020. January 2021 collections are \$116,946 or 4.2% over the January 2021 adopted budget of \$2,790,344.

The 2021 General Fund adopted budget is a 3.8% increase from the FY20 Amended budget.

*Effective in March 2020 League City increased the sales tax rate from 1.75% to 2%.

Rolling 12-Month Percentage Change

CITY	%Δ
LEAGUE CITY	23.6%
McKINNEY	12.8%
MISSOURI CITY	7.1%
PEARLAND	2.3%
FRISCO	1.9%
BAYTOWN	0.1%
PASADENA	-0.7%
ROUND ROCK	-1.0%
GALVESTON	-2.7%
PLANO	-3.2%
HOUSTON	-5.2%
THE WOODLANDS	-9.9%
SUGAR LAND	-10.2%

The rolling 12-month percentage change for Pearland and comparison cities is reflected in the chart to the left. Pearland's rolling 12-month growth rate decreased 2.3% for the period of January 2020 to December 2021.

In January Pearland Sales accounted for 33.4% of Brazoria County total Current Period Collections; equating to \$772,532 of \$2,312,971 in total Current Period Collections for the County.

HdL Companies
SALES TAX SNAPSHOT
Pearland

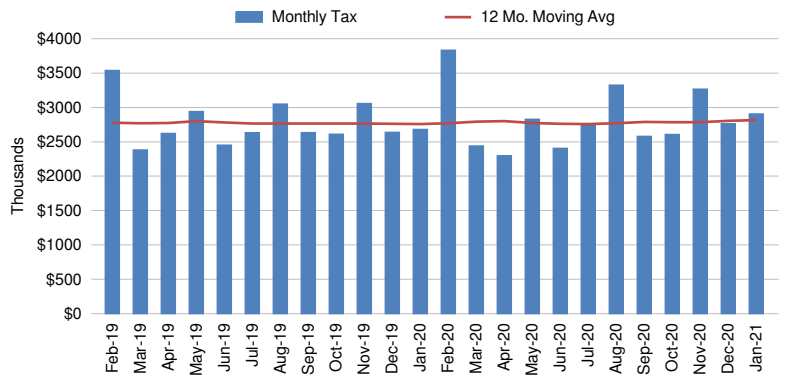
14 January 2021
 To: Mayor and City Council members
 Various aspects, payer and industry, of our sales tax base. Through December 2020 payment. Clay

Jan-21

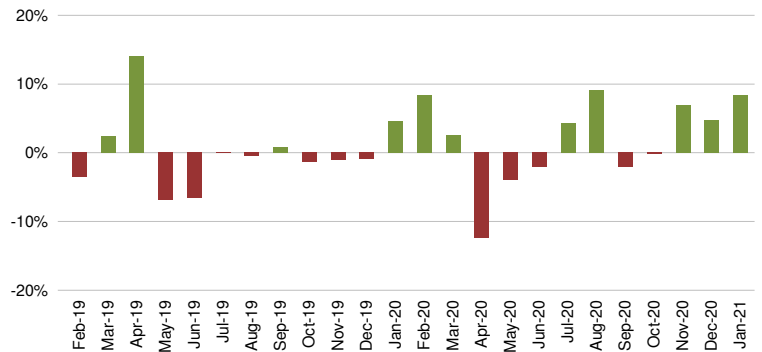
Sales Tax Net Payments

FY Mo.	FY2020	FY2021	YoY % Change
Oct	\$ 2,610,880	\$ 2,608,525	-0.1%
Nov	\$ 3,056,780	\$ 3,268,598	6.9%
Dec	\$ 2,638,491	\$ 2,763,157	4.7%
Jan	\$ 2,682,731	\$ 2,907,290	8.4%
Feb	\$ 3,834,531		
Mar	\$ 2,441,057		
Apr	\$ 2,297,117		
May	\$ 2,826,634		
Jun	\$ 2,404,332		
Jul	\$ 2,745,176		
Aug	\$ 3,325,447		
Sep	\$ 2,580,450		
FYTD	\$ 10,988,881	\$ 11,547,570	5.1%
FY Total	\$ 33,443,625		

Sales Tax Net Payments Trend



Sales Tax Net Payments Change - YoY



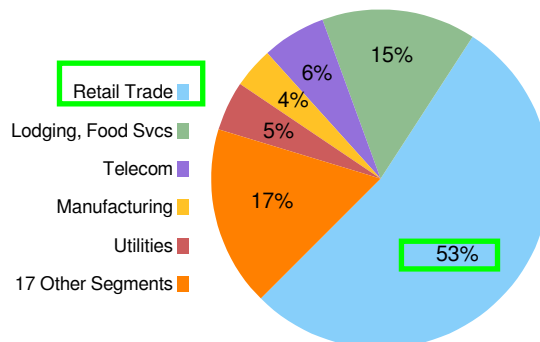
Top 10 Taxpayers

Rank	Company	FYTD Collections	% Total
1	WAL-MART STORES TEXAS LLC		
2	HOME DEPOT U.S.A. INC.		
3	H-E-B LP		
4	AMAZON.COM SERVICES INC (MARKETPLACE)		
5	LOWE'S HOME CENTERS LLC		
6	COSTCO WHOLESALE CORPORATION		
7	AMAZON.COM SERVICES INC.		
8	SAM'S EAST INC.		
9	TARGET CORPORATION		
10	ACADEMY LTD.		
Top 10 Companies		\$ 3,231,999	27.4%
11096	Other Large Companies	\$ 8,429,225	71.5%
	Small Companies/Other	\$ 101,060	0.9%
	Single Local Tax Rate (SLT)	\$ 28,000	0.2%
	Total	\$ 11,790,284	100.0%

Industry Segment Collections Trend - YoY % Chg

SEGMENT	Aug	Sep	Oct	Nov	Dec	Jan
Retail Trade	18.6%	10.3%	18.5%	20.9%	28.2%	18.6%
Lodging, Food Svcs	-0.4%	-3.6%	-4.0%	5.5%	5.7%	-0.7%
Telecom	4.6%	-32.6%	-36.1%	-35.1%	-36.6%	0.4%
Utilities	-20.2%	-29.7%	-29.2%	-20.3%	-22.2%	-7.1%
Manufacturing	-8.9%	-8.9%	-16.5%	4.7%	-22.4%	-10.5%
All Others	7.0%	-19.1%	-16.7%	-4.7%	-20.6%	2.4%
Total Collections	9.1%	-3.0%	-0.1%	6.3%	4.1%	9.4%

Sales Tax Collections by Industry Segment

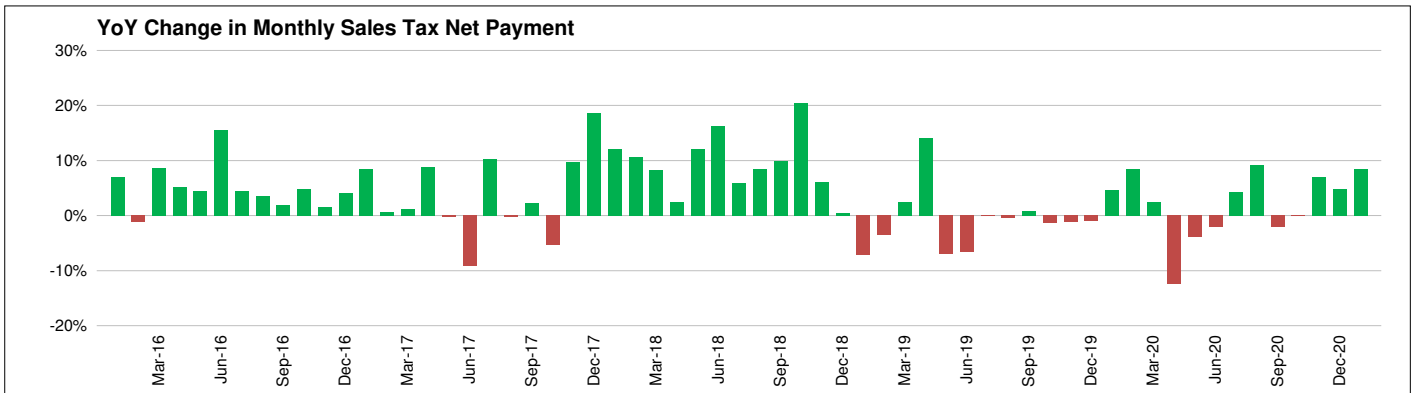
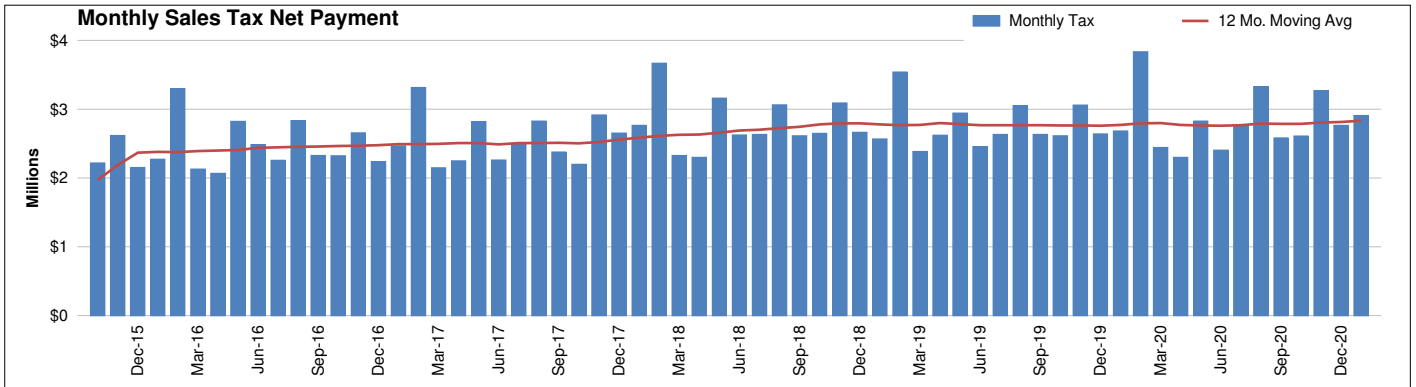
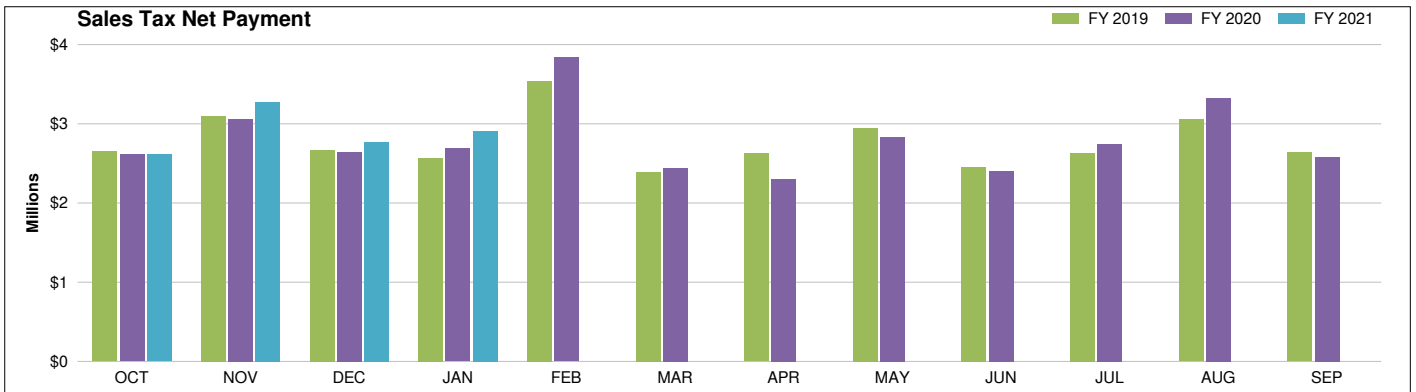


Pearland - Sales Tax Net Payment Trend

	FISCAL YEAR				
	2017	2018	2019	2020	2021
Oct	\$ 2,320,960	\$ 2,198,333	\$ 2,645,639	\$ 2,610,880	\$ 2,608,525
Nov	\$ 2,656,614	\$ 2,915,425	\$ 3,090,806	\$ 3,056,780	\$ 3,268,598
Dec	\$ 2,235,596	\$ 2,652,368	\$ 2,663,710	\$ 2,638,491	\$ 2,763,157
Jan	\$ 2,464,068	\$ 2,763,318	\$ 2,566,851	\$ 2,682,731	\$ 2,907,290
Feb	\$ 3,315,702	\$ 3,665,445	\$ 3,536,829	\$ 3,834,531	
Mar	\$ 2,148,492	\$ 2,325,594	\$ 2,382,214	\$ 2,441,057	
Apr	\$ 2,247,362	\$ 2,299,486	\$ 2,621,943	\$ 2,297,117	
May	\$ 2,817,749	\$ 3,159,500	\$ 2,941,287	\$ 2,826,634	
Jun	\$ 2,258,759	\$ 2,624,687	\$ 2,452,965	\$ 2,404,332	
Jul	\$ 2,487,274	\$ 2,632,767	\$ 2,631,089	\$ 2,745,176	
Aug	\$ 2,825,530	\$ 3,061,533	\$ 3,048,893	\$ 3,325,447	
Sep	\$ 2,376,904	\$ 2,611,926	\$ 2,633,436	\$ 2,580,450	
YEAR	\$ 30,155,010	\$ 32,910,381	\$ 33,215,662	\$ 33,443,625	\$ 11,547,570

YoY Change 9.1% 0.9% 0.7% na

Change: FY '21/'20			
Month		Year-to-Date	
\$	%	\$	YTD %
\$ (2,355)	-0.1%	\$ (2,355)	-0.1%
\$ 211,819	6.9%	\$ 209,463	3.7%
\$ 124,666	4.7%	\$ 334,130	4.0%
\$ 224,559	8.4%	\$ 558,689	5.1%



Pearland
SALES TAX PAYMENT DETAIL

Jan-21

Fiscal Year: Oct-Sep

COLLECTIONS	Jan-20	Jan-21	Chg. \$ Chg. %	Prior FYTD	Current FYTD	Chg. \$ Chg. %
Current Period	2,641,113	2,845,351	204,238 7.7%	10,847,148	11,462,960	615,812 5.7%
Prior Period	33,458	27,823	(5,634) -16.8%	167,952	100,605	(67,346) -40.1%
Future Period	7,992	389	(7,603) -95.1%	114,300	100,368	(13,932) -12.2%
Audit	42,678	67,856	25,178 59.0%	61,576	29,740	(31,836) -51.7%
Unidentified	157	424	267 170.4%	1,049	1,001	(49) -4.6%
Single Local Tax Rate	13,185	28,000	14,815 112.4%	22,323	95,610	73,287 328.3%
TOTAL	2,738,583	2,969,844	231,261 8.4%	11,214,349	11,790,284	575,935 5.1%
Service Fee	(54,772)	(59,397)	(4,625) 8.4%	(224,287)	(235,806)	(11,519) 5.1%
Current Retained	(53,676)	(58,209)	(4,533) 8.4%	(219,801)	(231,090)	(11,288) 5.1%
Prior Retained	52,595	55,051	2,456 4.7%	218,621	224,181	5,560 2.5%
NET PAYMENT	2,682,731	2,907,290	224,559 8.4%	10,988,881	11,547,570	558,689 5.1%

Pearland
TOP 30 COMPANIES RANK and CHANGE SUMMARY
Jan-21

Fiscal Year: Oct-Sep

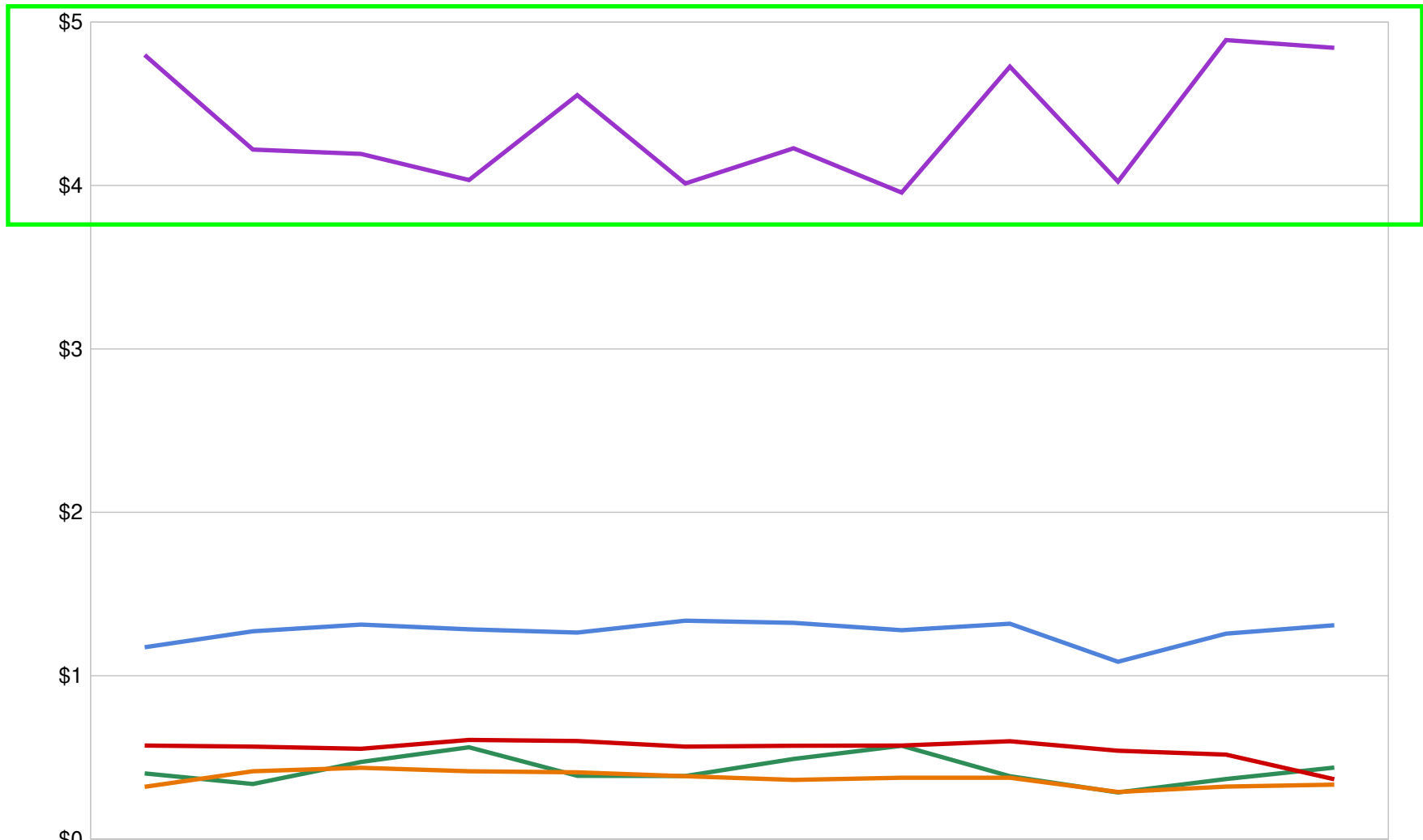
Rank*	Company	NAICS Key	Prior Fiscal YTD Sales Tax Collections	Current Fiscal YTD Sales Tax Collections	Change \$	Change %	Current Fiscal YTD % Total Collections
1	WAL-MART STORES TEXAS LLC	9					
2	HOME DEPOT U.S.A. INC.	9					
3	H-E-B LP	9					
4	AMAZON.COM SERVICES INC (MARKETPLACE)	9					
5	LOWE'S HOME CENTERS LLC	9					
6	COSTCO WHOLESALE CORPORATION	9					
7	AMAZON.COM SERVICES INC.	9					
8	SAM'S EAST INC.	9					
9	TARGET CORPORATION	9					
10	ACADEMY LTD.	9					
TOP 10 LARGE** COMPANIES			2,356,349	3,231,999	875,650	37.2%	27.4%
11	KROGER TEXAS L.P.	9					
12	BEST BUY STORES L.P.	9					
13	NEW CINGULAR WIRELESS PCS LLC	12					
14	COMCAST OF HOUSTON LLC	12					
15	ADPAREO INC.	22					
16	RELIANT ENERGY RETAIL SERVICES LLC	3					
17	SOUTHWESTERN BELL TELEPHONE COMPANY	12					
18	MARMAXX OPERATING CORP.	9					
19	BASS PRO OUTDOOR WORLD L.L.C.	9					
20	T-MOBILE WEST LLC	12					
21	GTE MOBILNET OF SOUTH TEXAS LIMITED PARTNERSH	12					
22	FINE WINES & SPIRITS OF NORTH TEXAS LLC	9					
23	APPLE INC.	5					
24	ROSS DRESS FOR LESS INC.	9					
25	CENTERPOINT ENERGY RESOURCES CORP.	3					
26	TXU ENERGY RETAIL COMPANY LLC	3					
27	MACY'S RETAIL HOLDINGS INC.	9					
28	HOBBY LOBBY STORES INC.	9					
29	CARDIOVASCULAR SYSTEMS INC.	5					
30	BERRY COMPANIES INC.	15					
TOP 30 LARGE COMPANIES			4,275,943	5,013,907	737,964	17.3%	42.5%
TOP 100 LARGE COMPANIES			6,446,147	7,152,250	706,102	11.0%	60.7%
11,005 OTHER LARGE COMPANIES			4,661,100	4,508,974	(152,126)	-3.3%	38.2%
SMALL COMPANIES & OTHER			107,101	101,060	(6,041)	-5.6%	0.9%
SINGLE LOCAL TAX RATE COLLECTIONS (SLT)				28,000	28,000	0.0%	0.2%
TOTAL COLLECTIONS			11,214,349	11,790,284	575,935	5.1%	100.0%
STATE COMPTRROLLER FEES			225,468	242,714	17,247	7.6%	2.1%
NET PAYMENTS			10,988,881	11,547,570	558,689	5.1%	97.9%

* Ranked by Total of Last Fiscal Year + Current Fiscal YTD

** Businesses whose detailed sales tax data is available

Pearland

INDUSTRY SEGMENT SALES TAX TREND



	2018 Q1	2018 Q2	2018 Q3	2018 Q4	2019 Q1	2019 Q2	2019 Q3	2019 Q4	2020 Q1	2020 Q2	2020 Q3	2020 Q4
Retail Trade	4,799,358	4,220,105	4,193,515	4,033,207	4,552,659	4,011,830	4,228,519	3,956,869	4,728,184	4,024,142	4,890,498	4,842,183
Lodging, Food Svcs	1,174,438	1,271,872	1,312,250	1,283,606	1,264,419	1,336,908	1,322,835	1,277,996	1,318,053	1,085,748	1,257,021	1,309,371
Utilities	402,158	336,739	471,315	561,542	387,128	385,499	490,097	570,873	385,249	284,926	367,583	437,474
Telecom	572,684	565,364	552,071	606,314	600,361	565,694	571,392	572,618	598,288	541,003	516,813	366,835
Manufacturing	320,437	415,319	436,319	415,338	408,372	384,200	362,819	375,570	375,244	287,699	321,102	332,521

Data Source:
Texas Comptroller of Public Accounts

Pearland
INDUSTRY SEGMENT RANK & CHANGE

Jan-21

Fiscal Year: Oct-Sep

INDUSTRY SEGMENT*	% Total Current YTD Collections	Prior Fiscal YTD Sales Tax Collections	Current Fiscal YTD Sales Tax Collections	Change	
				\$	%
Retail Trade	55.8%	5,362,770	6,509,923	1,147,152	21.4%
Lodging, Food Svcs	14.7%	1,686,149	1,714,854	28,705	1.7%
Telecom	4.8%	759,073	554,092	(204,981)	-27.0%
Utilities	4.6%	672,337	531,740	(140,598)	-20.9%
Manufacturing	3.7%	484,194	429,706	(54,488)	-11.3%
Top 5	83.5%	8,964,524	9,740,314	775,791	8.7%
Wholesale Trade	2.3%	311,210	273,425	(37,785)	-12.1%
Real Estate, Rental, Leasing	2.2%	264,907	262,291	(2,616)	-1.0%
Unidentified	2.7%	157,249	318,982	161,734	102.9%
Construction	1.9%	292,798	225,887	(66,911)	-22.9%
Other Services	1.6%	205,567	183,369	(22,198)	-10.8%
Admin, Support, Waste Mgmt	1.5%	239,397	170,230	(69,168)	-28.9%
Information excl. Telecom	1.4%	169,724	162,605	(7,119)	-4.2%
Prof, Scientific, Tech Svcs	0.9%	95,694	105,794	10,100	10.6%
Recreation, Arts, Entmt	0.6%	78,123	65,636	(12,487)	-16.0%
Company, Enterprise Mgmt	0.0%	133,530	943	(132,587)	-99.3%
Public Admin	0.5%	58,727	56,601	(2,126)	-3.6%
Financial, Insurance	0.3%	33,625	29,346	(4,279)	-12.7%
Health Care, Social Assistance	0.3%	22,212	31,638	9,426	42.4%
Transportation, Warehousing	0.1%	61,278	9,925	(51,353)	-83.8%
Ag, Forestry, Fishing, Hunting	0.0%	5,483	5,706	223	4.1%
Mining, Oil/Gas Extr	0.1%	6,319	11,846	5,527	87.5%
Education Services	0.1%	6,881	6,687	(194)	-2.8%
All Other	16.5%	2,142,724	1,920,910	(221,814)	-10.4%
TOTAL COLLECTIONS	100.0%	11,107,247	11,661,224	553,977	5.0%

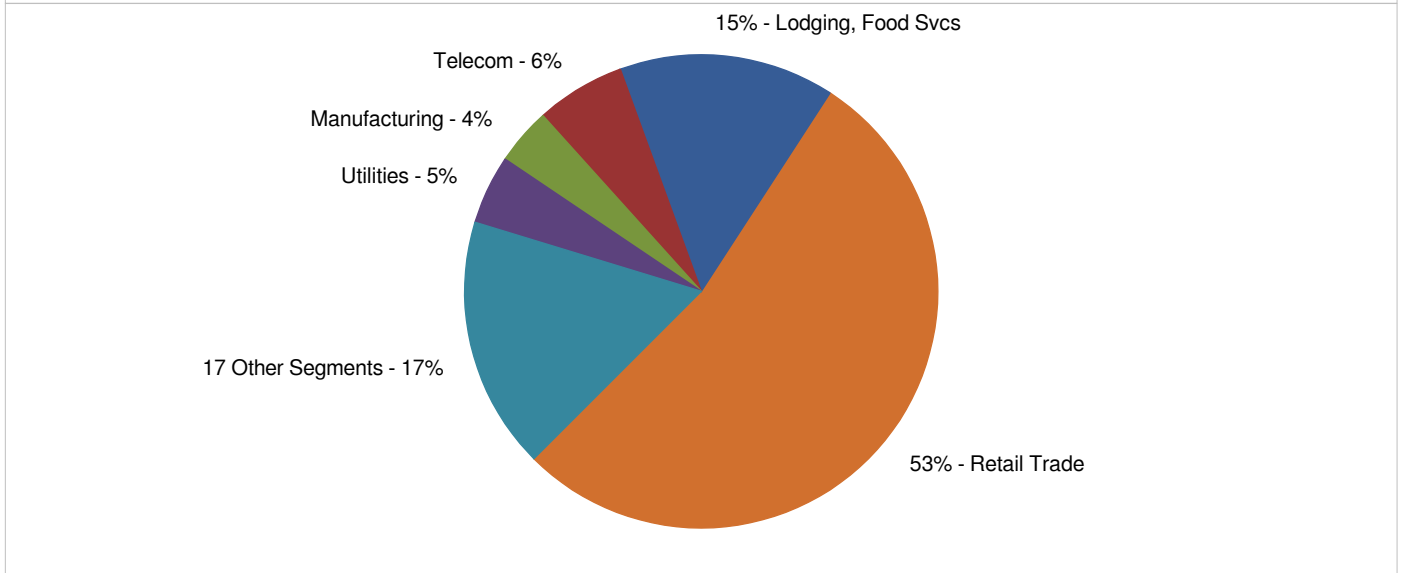
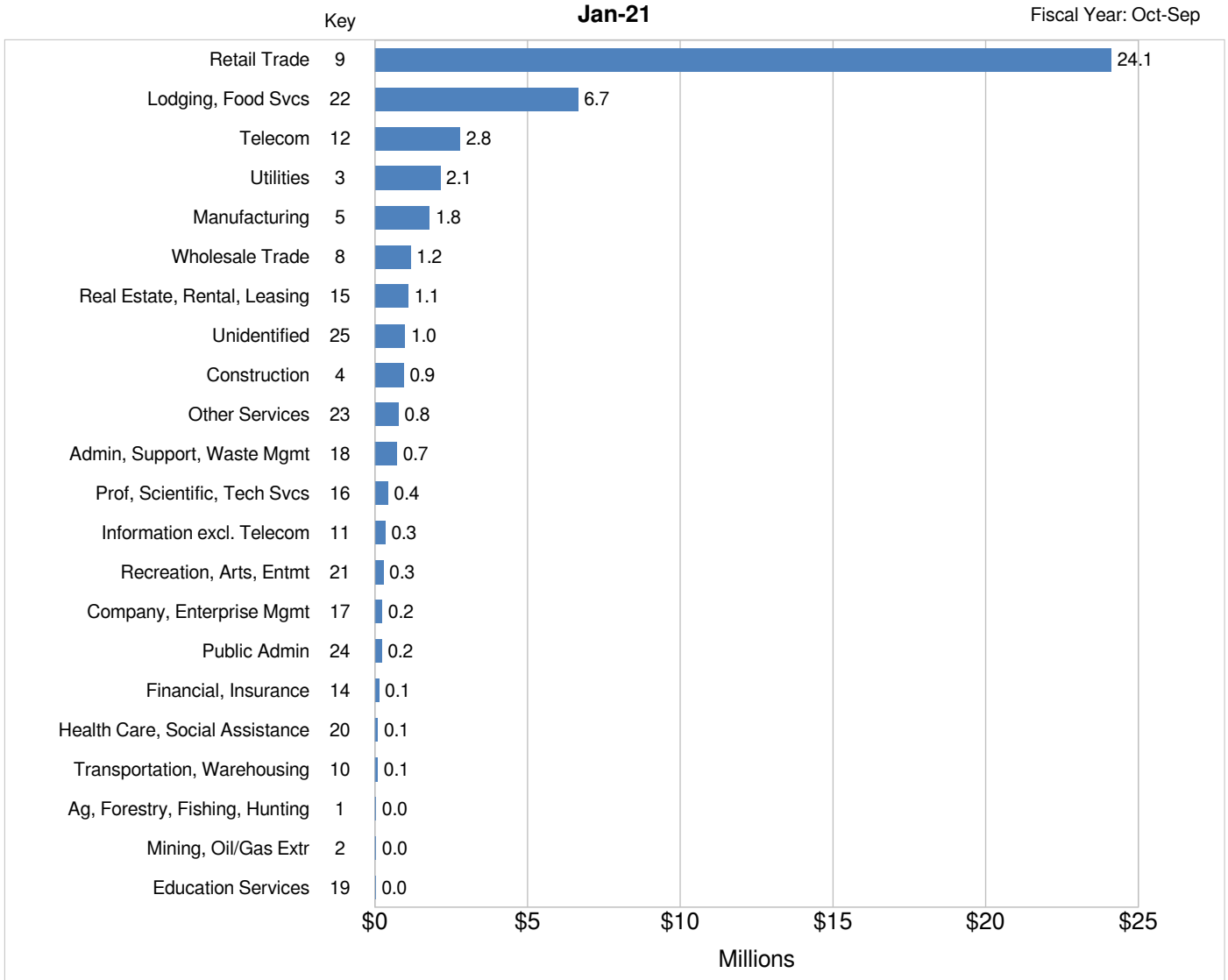
INDUSTRY SEGMENT	% Change from same month Prior Year					
	Aug	Sep	Oct	Nov	Dec	Jan
Retail Trade	18.6%	10.3%	18.5%	20.9%	28.2%	18.6%
Lodging, Food Svcs	-0.4%	-3.6%	-4.0%	5.5%	5.7%	-0.7%
Telecom	4.6%	-32.6%	-36.1%	-35.1%	-36.6%	0.4%
Utilities	-20.2%	-29.7%	-29.2%	-20.3%	-22.2%	-7.1%
Manufacturing	-8.9%	-8.9%	-16.5%	4.7%	-22.4%	-10.5%
All Others	7.0%	-19.1%	-16.7%	-4.7%	-20.6%	2.4%
TOTAL COLLECTIONS	9.1%	-3.0%	-0.1%	6.3%	4.1%	9.4%

* Ranked by Current + Prior YTD Collections

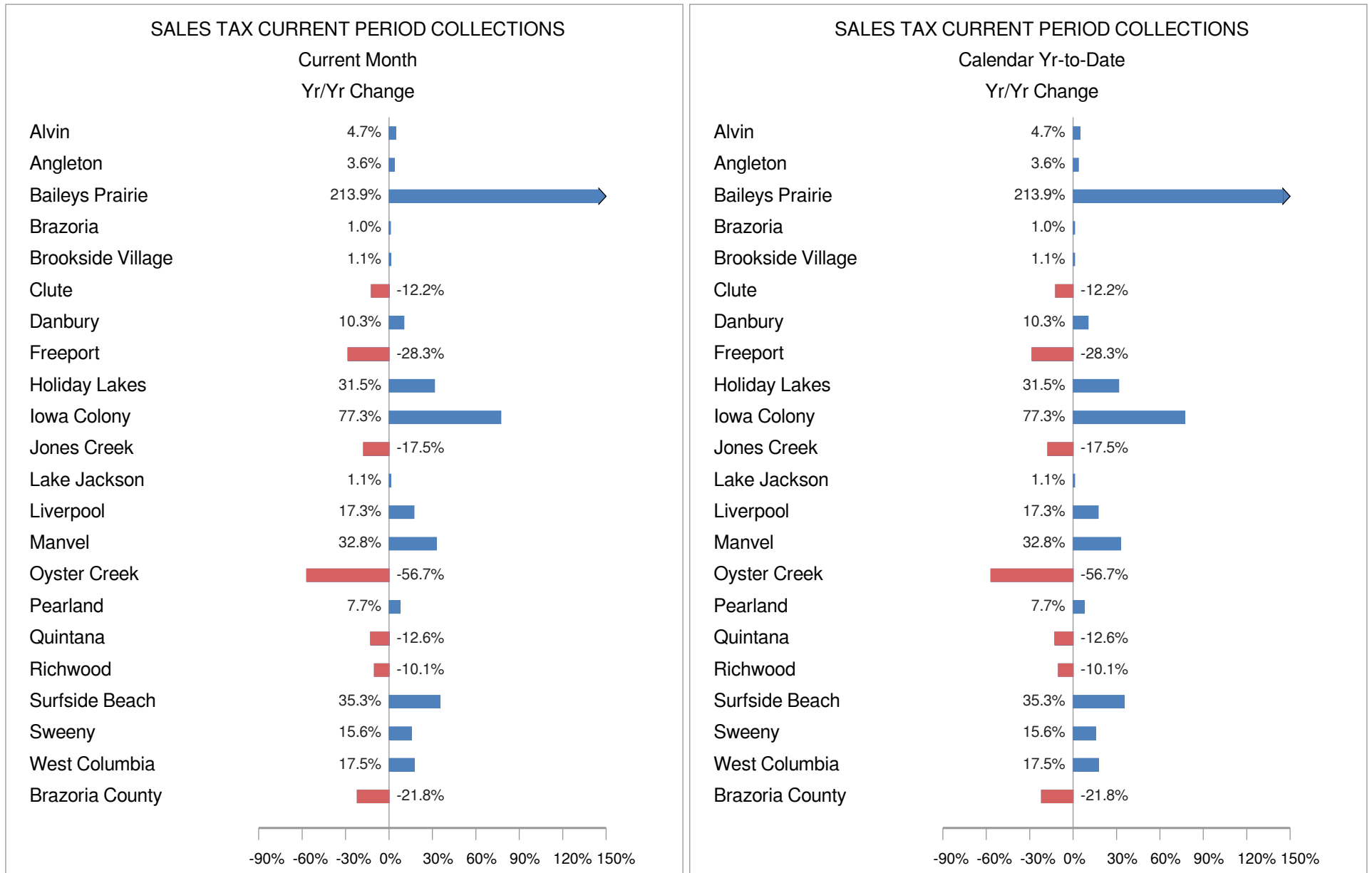
Pearland

INDUSTRY SEGMENT SALES TAX RANK & DISTRIBUTION

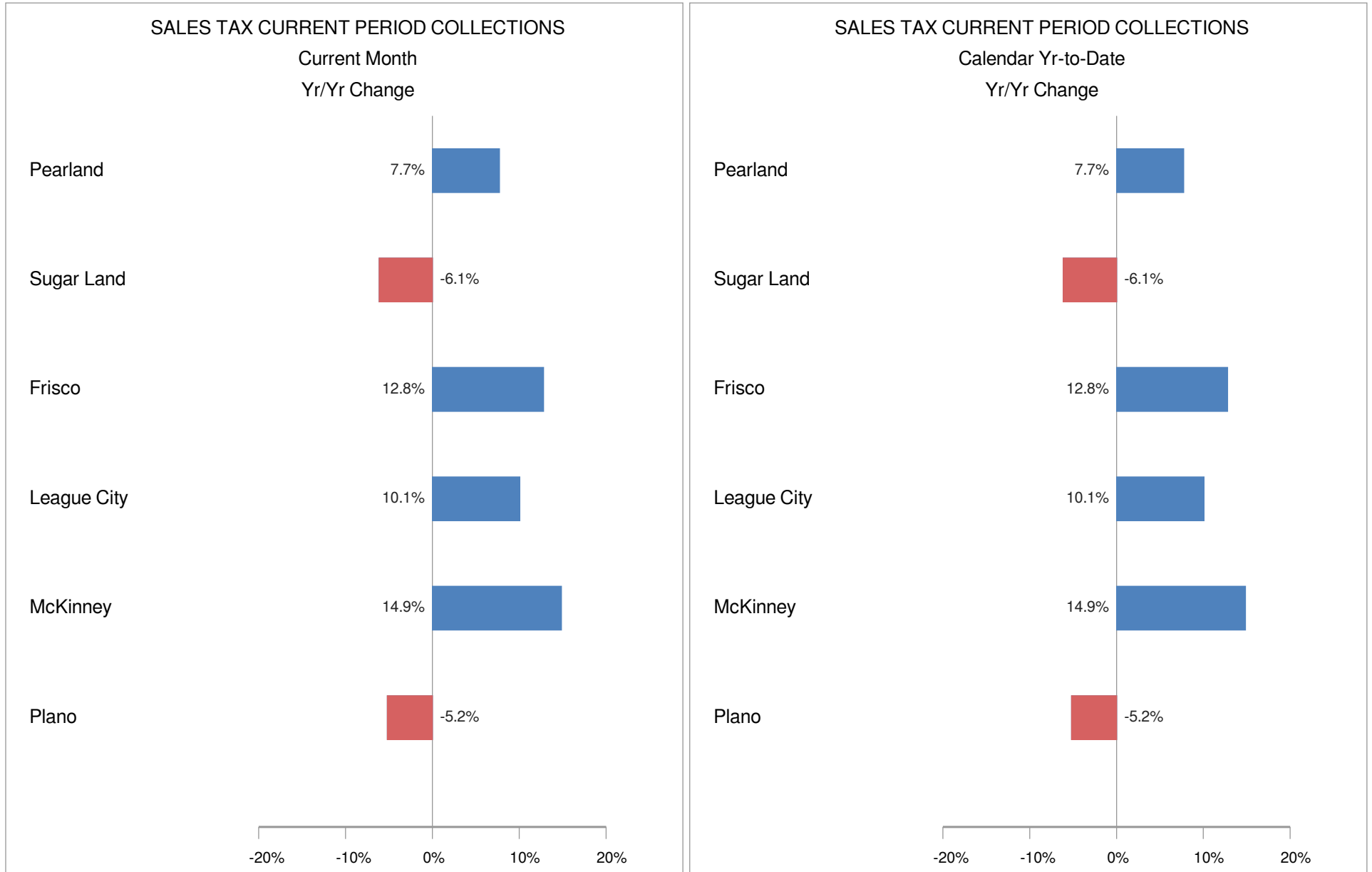
(Prior Fiscal Year + Current Fiscal Year-to-Date)



SALES TAX TREND
BRAZORIA COUNTY
Jan-21



**SALES TAX TREND
PEARLAND COMP REPORT
Jan-21**



14 January 2021
To: Mayor and City Council members
Continued strong work from our Community Development staff colleagues to insure safety and quality minimum levels established by Council policies. Good levels of building activity with the uncertain economy backdrop and ongoing pandemic. Clay



Community Development


FY 2021 – 1st Quarter Report
October 1, 2020 – December 31, 2020



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1

In This Issue



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- Operations during COVID-19
- 2020 in Review
- At a Glance – 1st Quarter
- Division Updates
 - Permits / Inspections
 - Planning
 - Development Services
- New Employees

Join us for *“Prepared for Progress,”* a forum hosted by the City, Pearland Economic Development Corporation, and the Pearland Chamber.

When: Thursday, January 21 @ 9:30 a.m.
Where: City of Pearland YouTube

2

2

Operations during COVID-19



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As a Reminder:

- ***The Community Development Department continues to operate and provide the full spectrum of services (permitting, inspections, platting, planning, development meetings, etc.) as we navigate this pandemic.***
 - Permit Desk appointments scheduled through the website;
 - eTRAKiT (online permitting software) allows applications and plans to be submitted 24 hours a day; and
 - Pre-Development meetings and project consultations have continued through web-based, online meeting technology.
- *All turn-around times are continue and are being met by City Staff.*

3

3

2020 In Review



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Highlights from the calendar year, 2020

- Commercial Valuation
 - \$149,715,636; a 3.5% increase from 2019.
- Miscellaneous Valuation
 - \$57,085,051; down 24.9% from 2019.
- Total Construction Valuation
 - \$265,980,178; up 20.5% from 2019.

4

4

2020 continued.



2020 Highlights continued

- Single-family residential units permitted
 - 532; 17.4% decrease from 2019.
- Building permit revenue
 - \$4,375,759; a 4% increase from the previous year.

At a Glance – 1st Quarter



Vs. Last Quarter

- Decrease
- Increase
- Decrease
- Decrease
- Equal
- Increase
- Increase
- Decrease
- Increase

- Total Construction Valuation*
- Commercial Construction Valuation
- Building Permit Revenue
- Pre-Development Meetings Count
- Zoning Cases Count
- Conditional Use Permits Count
- Plats
- P&Z Variances
- ZBA Variances

Vs. Last Year

- Increase
- Increase
- Increase
- Decrease
- Decrease
- Decrease
- Increase
- Increase
- Increase

*Not including Residential Construction Valuation

Graphs – Construction Valuation



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Another positive quarter for construction valuation. Though slightly down from the previous quarter, adjusting for the presence of the major multi-family project last quarter, continued upward growth is evident. FY2021 started off better than the previous year as well, we an increase in valuation of 210%.

Important note: Commercial value reports *include* non-taxable public projects (schools and City)

*Single-family valuation has been removed from totals as we can no longer collect this information.

Total Construction Valuation as Reported by Applicant on Building Permit					
City of Pearland, Texas					
1/11/21					
VALUATION					3 Month Totals
	Commercial	Multi-Family Residential*	Misc. **	Total Valuation	
Jan-19	\$ 37,761,895		\$ 8,186,460	\$ 45,948,355	
Feb-19	\$ 3,485,538	\$ -	\$ 5,762,731	\$ 9,248,269	
Mar-19	\$ 14,608,919	\$ -	\$ 3,884,009	\$ 18,492,927	\$73,689,562
Apr-19	\$ 16,123,992	\$ -	\$ 23,120,688	\$ 39,244,680	
May-19	\$ 25,470,198	\$ -	\$ 9,666,665	\$ 35,136,863	
Jun-19	\$ 10,266,445	\$ -	\$ 5,098,732	\$ 15,365,177	\$89,746,720
Jul-19	\$ 6,445,608	\$ -	\$ 3,566,404	\$ 10,012,012	
Aug-19	\$ 9,279,782	\$ -	\$ 2,761,360	\$ 12,041,142	
Sep-19	\$ 7,042,484	\$ -	\$ 1,504,402	\$ 8,546,885	\$30,600,039
Oct-19	\$ 6,581,361	\$ -	\$ 2,003,045	\$ 8,584,405	
Nov-19	\$ 3,136,920	\$ -	\$ 7,355,770	\$ 10,492,690	
Dec-19	\$ 4,332,028	\$ -	\$ 3,186,222	\$ 7,518,251	\$26,595,346
Jan-20	\$ 7,168,990	\$ -	\$ 4,337,990	\$ 11,506,979	
Feb-20	\$ 10,256,645	\$ -	\$ 7,898,446	\$ 18,155,091	
Mar-20	\$ 2,449,842	\$ -	\$ 6,254,369	\$ 8,704,211	\$38,366,282
Apr-20	\$ 1,164,174	\$ -	\$ 3,494,348	\$ 4,658,522	
May-20	\$ 7,628,935	\$ -	\$ 9,338,809	\$ 16,967,744	
Jun-20	\$ 6,644,225	\$ -	\$ 858,949	\$ 7,503,173	\$29,129,439
Jul-20	\$ 9,729,221	\$ -	\$ 3,947,652	\$ 13,676,872	
Aug-20	\$ 6,528,900	\$ -	\$ 2,044,694	\$ 8,571,594	
Sep-20	\$ 30,526,021	\$ 59,179,491	\$ 4,053,765	\$ 93,759,277	\$116,007,744
Oct-20	\$ 41,077,793	\$ -	\$ 4,556,828	\$ 45,634,621	
Nov-20	\$ 5,562,146	\$ -	\$ 4,504,250	\$ 10,066,396	
Dec-20	\$ 20,980,745	\$ -	\$ 5,794,952	\$ 26,775,696	\$82,476,713

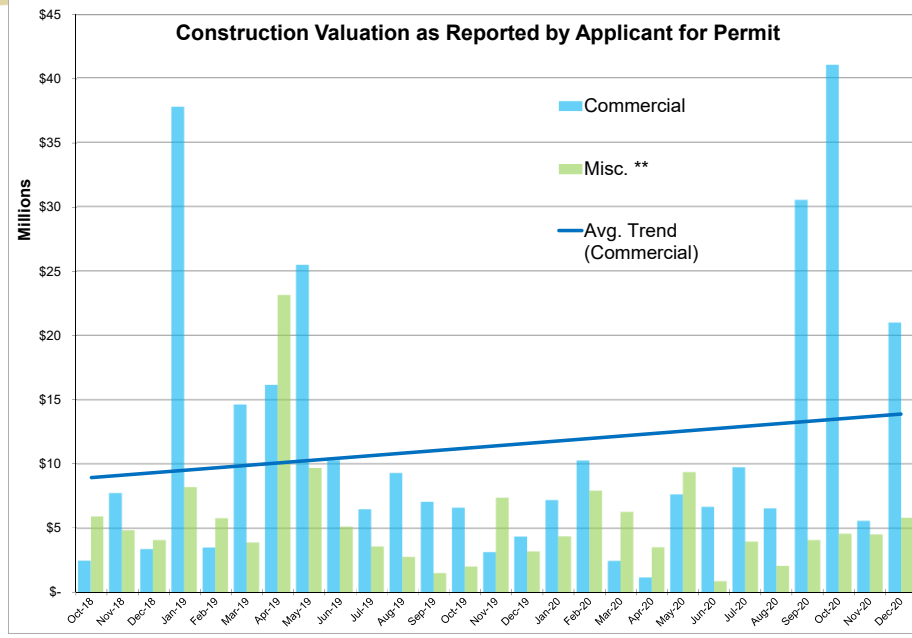
Construction Valuation



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Continuing last quarter's trend, commercial construction valuation increased this quarter by over \$20 million. With this strong performance, we see our first upward trend in quite some time.

Miscellaneous permits (*fire, mechanical, moving, swimming pools, signs, site work, and tenant occupancies*) valuation increased gradually since last quarter.



Single-Family Construction



With 233, single-family home construction permits in the Fiscal Year's first quarter are at the highest rate since 2016.

Permits are up 62.5% (88) from the previous quarter, and up 53% (152) from the same period last year.

Continued growth and development of existing subdivisions helps lead this boost.

Single-Family Detached Residential Construction

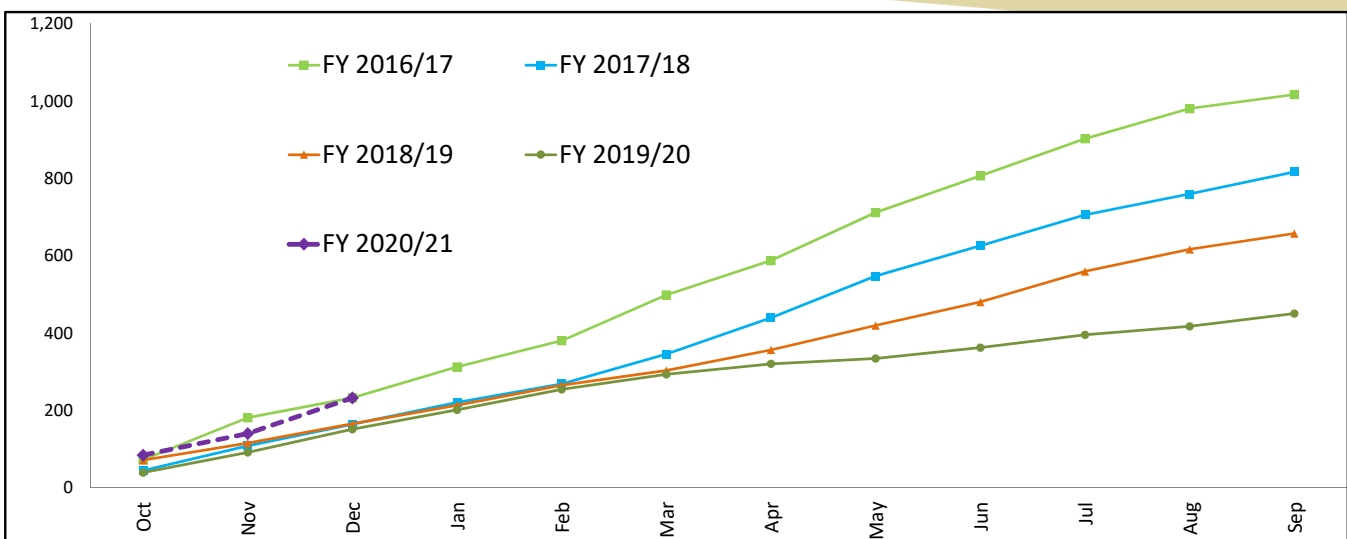
12-Jan-21

City of Pearland, Texas

	FY 2015/16		FY 2016/17		FY 2017/18		FY 2018/19		FY 2019/20		FY 2020/21	
	Actual		Actual		Actual		Actual		Actual		Actual	
	Month	YTD	Month	YTD	Month	YTD	Month	YTD	Month	YTD	Month	YTD
Oct	54	54	73	73	45	45	72	72	40	40	85	85
Nov	104	158	109	182	64	109	44	116	52	92	56	141
Dec	95	253	51	233	56	165	50	166	60	152	92	233
Jan	66	319	80	313	56	221	48	214	50	202		
Feb	83	402	68	381	48	269	52	266	53	255		
Mar	136	538	118	499	77	346	38	304	39	294		
Apr	61	599	89	588	94	440	53	357	27	321		
May	131	730	124	712	108	548	63	420	14	335		
Jun	129	859	89	807	78	626	61	481	28	363		
Jul	127	986	96	903	80	706	79	560	33	396		
Aug	129	1,115	78	981	54	760	57	617	22	418		
Sep	106	1,221	36	1,017	57	817	41	658	33	451		
Change from Previous Year				-204		-200		-159		-207		

Prepared by City of Pearland Building Department

Single-Family Unites Construction



Building Permit Revenue

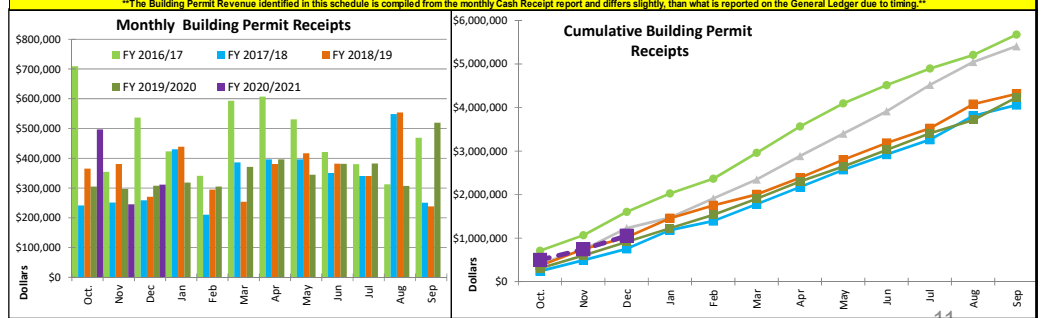


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Building Permit Revenue ** City of Pearland, Texas 12-Jan-21																
	FY 2015/16		FY 2016/17		FY 2017/18		FY 2018/19		FY 2019/2020		FY 2020/2021					
	Actual Month	YTD	Actual Month	YTD	Actual Month	YTD	Actual Month	YTD	Actual Month	YTD	Actual Month	YTD	Budget Month	YTD	YTD Over (Under) Budget % Amount	
Oct	\$411,293	\$411,293	\$709,171	\$709,171	\$241,031	\$241,031	\$365,169	\$365,169	\$304,722	\$304,722	\$496,643	\$496,643	\$347,616	\$347,616	43%	\$149,028
Nov	\$320,762	\$732,014	\$354,122	\$1,086,293	\$290,929	\$491,960	\$380,798	\$745,934	\$296,765	\$601,457	\$244,973	\$741,616	\$274,368	\$621,984	19%	\$119,632
Dec	\$494,024	\$1,226,039	\$336,631	\$1,599,924	\$258,426	\$750,386	\$270,396	\$1,016,299	\$307,710	\$909,167	\$311,148	\$1,052,758	\$319,524	\$941,508	12%	\$111,250
Jan	\$243,754	\$1,469,793	\$422,919	\$2,022,843	\$429,936	\$1,180,322	\$438,513	\$1,454,812	\$317,986	\$1,227,184						
Feb	\$438,787	\$1,908,579	\$340,691	\$2,363,534	\$210,045	\$1,390,367	\$294,504	\$1,749,316	\$304,523	\$1,531,706						
Mar	\$436,651	\$2,345,430	\$393,202	\$2,956,736	\$386,166	\$1,776,533	\$253,794	\$2,003,111	\$370,696	\$1,902,403						
Apr	\$540,614	\$2,886,044	\$606,641	\$3,563,377	\$396,261	\$2,172,794	\$380,604	\$2,383,915	\$396,294	\$2,298,696						
May	\$514,631	\$3,400,675	\$530,372	\$4,093,950	\$396,141	\$2,568,934	\$416,720	\$2,800,636	\$344,413	\$2,643,109						
Jun	\$511,932	\$3,912,606	\$421,116	\$4,515,066	\$350,283	\$2,919,217	\$381,830	\$3,182,466	\$381,023	\$3,024,132						
Jul	\$606,906	\$4,519,512	\$380,051	\$4,895,117	\$339,997	\$3,259,214	\$340,109	\$3,522,575	\$381,991	\$3,406,123						
Aug	\$527,557	\$5,047,069	\$312,330	\$5,207,447	\$548,111	\$3,807,325	\$553,666	\$4,076,240	\$306,976	\$3,713,100						
Sep	\$361,476	\$5,408,544	\$468,729	\$5,676,176	\$290,701	\$4,058,026	\$237,886	\$4,314,127	\$319,099	\$4,232,198						
Change from Previous Year				4.9%		-28.5%		6.3%		-1.9%						
													Original BUDGET	\$4,053,812		
													Mid-year Estimate for Budget	\$4,053,812		

Building permit revenue performed well in the first quarter, exceeding budgeted projections by 12%.

Revenue is down slightly from last quarter but has increased by 15% from the same period last year.



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Commercial Plan Turn Around



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- 48 commercial plans were issued 1st Quarter FY21
 - Includes new construction, additions, alterations, tenant finishes, site work, and shell.
- 75% of permit applications were approved on the initial review or with one resubmission.
 - 83% were completed within two resubmissions.

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Permits / Inspections – Commercial



In the 1st Quarter of FY 2021:

- 17 permits were issued for new commercial buildings with a combined square footage of 428,432 square feet.
 - Five buildings valued over \$1 million were submitted:**
 - Vineyard Pearland Assisted Living Facility: \$34,243,000.
 - Endress + Hauser Office Building: \$9,250,000.
 - Fire Station 4: \$6,400,000.
 - SCI Texas Funeral Home: \$2,500,000.
 - New 27,576 square foot retail center: \$2,320,000.
- 19 permits were issued for additions/alterations.
- 8 permits were issued for tenant finish build outs.
- 4 permits were issued for site/shell work.
- **Reported valuation for these projects totaled \$66,387,317.**

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Permits / Inspections Call Center



In the first quarter of FY 2021, staff:

- Answered 6,309 or 95.6% of incoming calls.
- Spent approximately 2.5 minutes per call (longest call was over 24 min.)
- On average, the permit desk answers each call in 40 seconds.
 - Callers are given an option to leave a message and staff will call them back.

Permits Dashboard - 281.652.1638

CSQ Name	Waiting Calls	Agents Talking	Agents Ready -	Agents Not Ready	Agents Logged In	Longest Call in Queue
csoPermitsGeneral	0	0	2	2	4	00:00:00

CSQ Name	Total Calls	Handled Calls	Abandoned Calls	Longest Call in Queue	Longest Handle Time
csoPermitsGeneral	63	61	1	00:09:05	00:05:23

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Permits / Inspections Workload



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In the first quarter of FY 2021, staff:

- Conducted 363 plan reviews (down 7.9% from last quarter)
- Performed 7,594 inspections (up 8.7%)
- Processed 713 permit applications (up 4.5%)
- Answered 6,309 calls to the main phone line (down 1.3%)

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Planning Update - Zoning



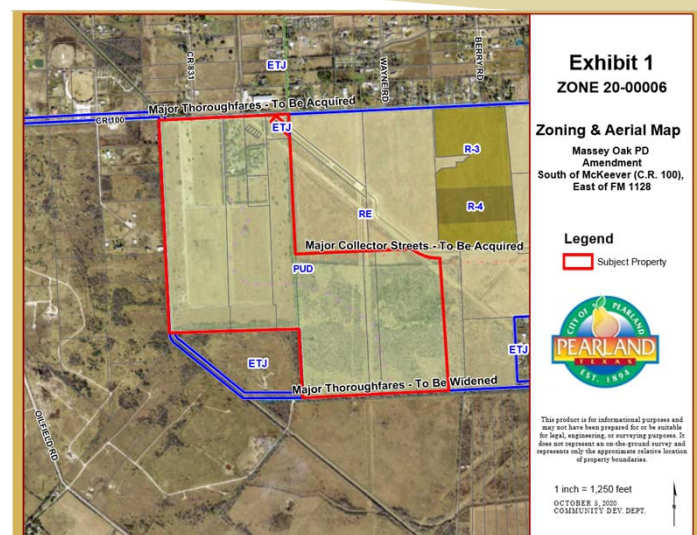
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Two zone change requests were reviewed, which is a decrease from the six in the 1st quarter of FY20.

- Two year running average of cases per quarter is 4 cases

Zoning changes included:

- Planned development amendment for Massey Oaks to address base zoning classifications, fencing materials, sidewalk materials, and residential building materials. **Approved** by City Council in November.
- Planned development amendment for Southern Trails to allow restaurants uses with drive-thru. **Approved** by City Council in December.



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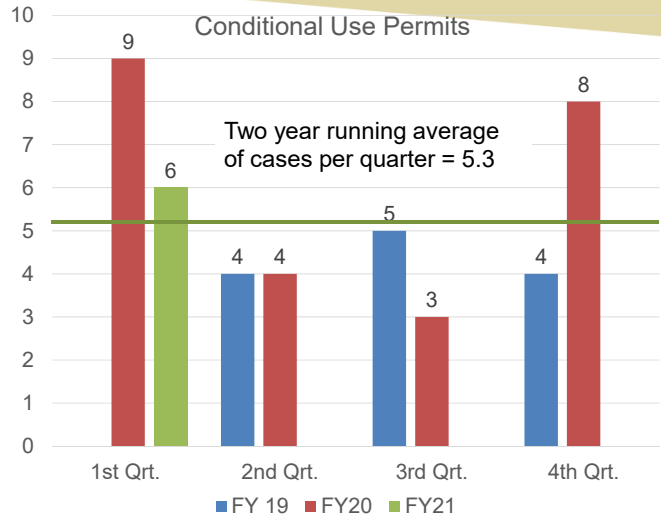
Planning Update - CUP



Six Conditional Use Permit (CUP) applications were reviewed, down 3 from the 1st quarter of FY20.

Approved CUPs included:

- Auto repair (minor) – Take 5 Oil Change in General Business district.
- Helipad in the Shadow Creek Ranch PD.
- Accessory dwelling in Single-Family Residential-15 district.
- Redevelopment of an existing convenience store with gasoline sales in General Business district.



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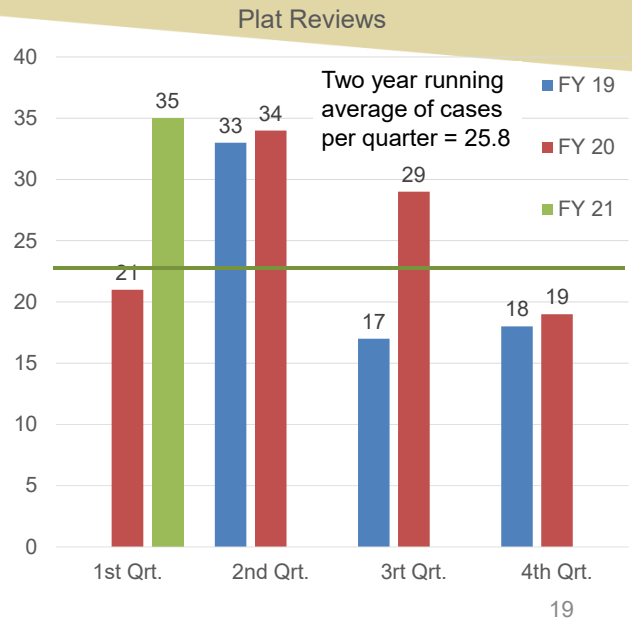
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Planning Update - Platting



35 plats were processed, a 53% increase from the 1st quarter of FY20 [21].

- New plats resulted in 607 new buildable lots, more than the 269 lots created in the same quarter the previous year.



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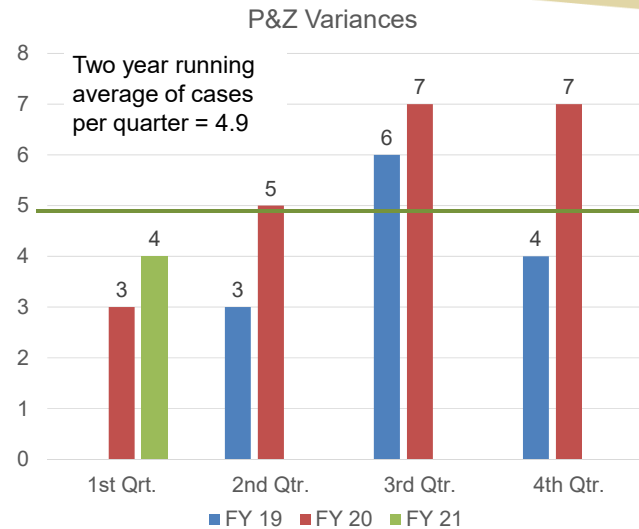
Variations – Planning and Zoning Commission



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Four P&Z variations were reviewed, which is a slight increase from 1st quarter FY20 [3].

- P&Z variations primarily pertain to plats where the lot area, width, and depth do not meet the minimum criteria for the zoning district.
- P&Z variations may also relate to the creation of lots with irregular shape or reducing the width for access behind another lot (flag lots).



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Variations – Zoning Board of Adjustment



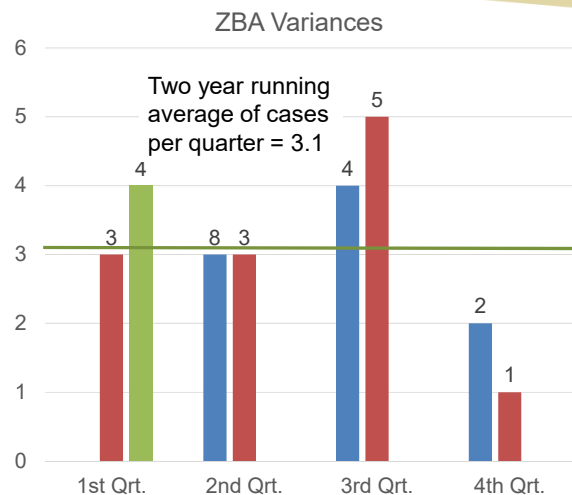
pearlandtx.gov

4 ZBA cases were reviewed, down from three in the 1st quarter FY20.

- The granting of variations or special exceptions assists in creating development opportunities within the city where hardships or existing circumstances exist on developed property.
- The ZBA also hears appeals to administrative decisions based on the Unified Development Code.

ZBA cases this quarter included:

- The variations or special exceptions included:
 - For addition to the Pearland Neighborhood Services Center; **Approved**
 - For conversion of a residence to an office; **Approved**
 - Allowing a property to be platted with existing non-conformities; **Approved**



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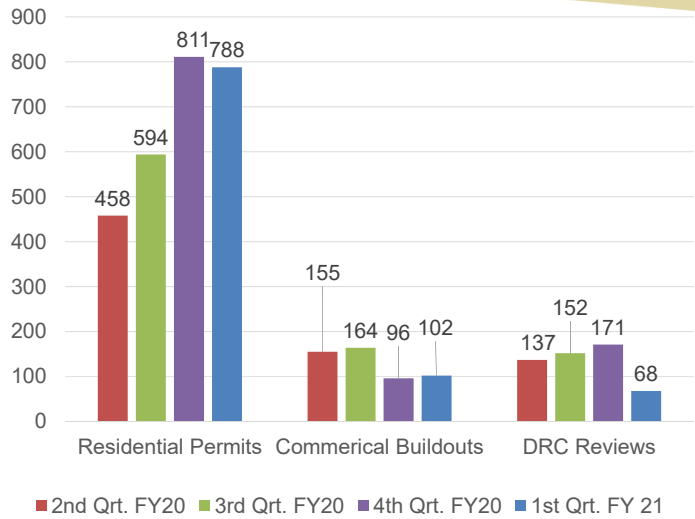
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Planning Update – Other



Permits Applications Reviewed – 1st Qtr. FY 21

- 8 Pre-Development Meetings
- 3 Site plan reviews
- 102 Commercial build-outs and tenant occupancy permits
- 788 Residential related permits
- 49 Site inspections resulting from permit reviews
- 68 Projects discussed at Development Review Committee meetings



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Planning Update – Urban Forestry



On November 6th, Community Development and Parks and Recreation teamed up to give away 150 trees in celebration of Texas Arbor Day.

- The giveaway was contactless by drive-thru where citizens could select their tree from their vehicle.
- Positive effects of an additional 150 trees planted in Pearland, include:
 - Removal of 279 tons of carbon dioxide;
 - Up to 329,061 kWh of electricity for cooling and heating saved; and
 - A reduction of up to 1.6 million gallons of water runoff.



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Development Services



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Moving Your Projects Forward!

Development Services works proactively to ensure your development experience is a pleasant and smooth one.

In addition to numerous calls and informal meetings, staff coordinated the following meetings on your behalf this past quarter:

- Pre-development meetings: 8
- Site Consultation meetings: 21
- Residential meetings: 2



Vance Wyle
Development Services Coordinator

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Development Services



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Development Review Committee (DRC)

DRC meetings are bi-weekly, internal meetings which allow City staff to coordinate responses between departments on development issues, improve permit review times, and identify projects which need additional staff attention.

At these meetings all newly submitted plats, commercial permits, and planning applications are reviewed by multiple departments.

- 8 DRC meetings were held in the 1st Quarter 2021.

Picture at right pre-COVID. Meetings now held virtually to good effect



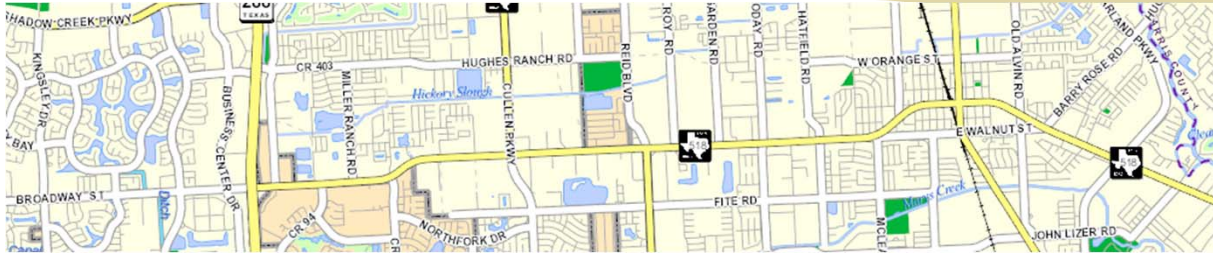
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Development Services – Addressing



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The City's Addressing Coordinator assists in the creation and maintenance of all addresses within Pearland. This responsibility helps ensure timely 911 response, smooth mail delivery, and the proper administration of permit applications.

During the 1st Quarter, **434 new addresses** were added to the City's mapping system.

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New Employees



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Sarah Valladares

Residential Plans Expediter, Development Services

Sarah has spent the last 8+ years working in permitting and Civil Site Work. She spent over 7 years with Harris County Engineering - Permits Office working to achieve compliance for sites within Unincorporated Harris County. Additionally, Sarah spent just over a year with a private company where she coordinated with Municipal Utility District clients. In her work there she assisted in the areas of erosion control, mowing maintenance, and with the completion of civil/drainage jobs.

She is excited to be a part of Community Development and to learn the City's vertical building requirements, as well as learn from the other groups within the City and help where needed! In her free time, Sarah enjoys watching sports, enjoying the outdoors, and spending time with her family.

Welcome aboard, Sarah!

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Our Team



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Administration

John McDonald, Director
Carianne Livengood, Executive Assistant

Planning

Martin Griggs, AICP, CNU-a, Planning Manager
Mohamed Bireima, AICP, Senior Planner
Vince Husted, AICP, Planner II
Florence Buaku, AICP, Planner II
Samin Bazargan, Planner I
Jerry Bradshaw, Urban Forester
Shelby Lowe, Office Assistant

Development Services

Vance Wyly, Development Services Manager
Monica Aizpurua, Office Assistant
Jessica Mata, Planning Technician
Jonathan Riley, Addressing Coordinator
Laura Aldama, Commercial Plans Expediter
Sarah Valladares, Residential Plans Expediter

Permits and Inspections

Scott Williams, CBO, Building Official
Natalie Garcia, Administrative Assistant

Sam McInnis, Chief Inspector
Julie Herrera, Plans Examiner
Hung Doan, Building Inspector
Daniel Reeves, Building Inspector
Tim White, Building Inspector
Justin Edwards, Building Inspector

Juan Chavez, Assistant Manager – Permits
Judy Cotter, Permit Technician
Janie Matamoros, Permit Technician
Kasandra Elizondo, Permit Clerk

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FY22 White Paper



To: Clay Pearson, City Manager

From: Matt Buchanan, PEDC President

CC: Tracy Rohrbacher, Executive Director Pearland CVB

Date: February 5, 2021

RE: Pearland Prosperity Strategic Plan Potential Future Budget Impacts on City and PEDC

In 2020, the Pearland Prosperity Strategic Plan (Plan) was approved by the PEDC Board and City Council in collaboration with multiple community partners. The plan details a strategic focus of resources on economic growth, infrastructure and mobility improvements, as well as an emphasis on quality of life benefits for all residents. The Pearland Prosperity strategic plan builds upon the Pearland 20/20 strategy, which was developed in 2013 and has served to springboard numerous community improvements. The new Pearland Prosperity Plan features, in addition to the Strategic Plan, a Community Assessment with important Key Findings and Strategic Implications. The web hub for the plan and supporting documents along with progress updates is www.pearlandprosperity.com.

The Pearland Prosperity strategic plan has **two overarching goals: economic growth and diversification as well as ensuring that Pearland is a community of choice in greater Houston.**

These goals are pursued through several strategic initiatives grouped into **seven, high-level focus areas:** Business Development, Business Formation and Early-Stage Growth, Site Development, Corridors, Infrastructure and Mobility, Quality of Life and Quality of Place, Workforce and Talent. All these areas have an impact on the financial condition of the City and will have financial impacts on the City's budget.

The following discusses four areas that could have impacts on the City and PEDC budget in FY 21 and future years.

2.0 Business Formation and Early Stage Growth

The second focus area of the Plan is Business Formation and Early Stage Growth. The Plan states "the third component (in addition to business attraction and retention) of a holistic approach to economic development is the entrepreneurial ecosystem." An entrepreneurial ecosystem consists of the individuals, organizations, institutions, and programs that encourage and support the formation and growth of new businesses."

In June, PEDC launched a collaborative process with community partners to evaluate the feasibility of providing some type of hub for entrepreneurship and small business assistance in Pearland. A steering committee was created to aid in the process and over 70 interviews and a 30+ attendee polling session was held to gain an understanding of the current entrepreneurial eco-system.

While the final report won't be complete until late spring, we anticipate that while opening a physical hub might not be market supportable, *there will still be opportunities to provide entrepreneurial programs and services. PEDC will need to play a major role in the funding of any type of program.*

3.0 Site Development

The third focus area of the Plan, Site Development, involves ensuring that Pearland has a competitive, highly visible supply of shovel-ready development sites. In order to accommodate many competitive business locations and expansions, communities must have suitable sites available for acquisition and development on a tight timeframe. The Plan recommends that not only do we need to effectively market prime districts and ensure that sites are well-served by needed infrastructure and desirable amenities, but also recommends the community take a more proactive approach to increasing the supply of development-ready sites in order to ensure the community's competitiveness and "unlock" sites that may not be activated in the near term through market forces alone.

The focus is on the Lower Kirby area and along SH 35 that have multiple sites with barriers to development such as fractured ownership that would make them challenging to assemble/prepare for prospective end-users on a tight timeline. The Plan recommends that *PEDC acquire and prepare prime shovel-ready sites*. PEDC will be further evaluating potential sites in 2021 that could potentially have budget impacts for PEDC depending on what the consensus is to move forward.

4.0 Corridors

The bulk of the community's available development and redevelopment sites suitable for commercial and/or industrial development are concentrated around three primary corridors: SH 288, FM 518/Broadway, and SH 35. Additionally, many of Pearland's existing jobs are already clustered along these corridors. Pearland must invest in its key corridors to ensure that they are efficient, aesthetically pleasing, and well maintained in order to ensure that they are attractive destinations for jobs and investment.

In the 288 Corridor, PEDC continues to coordinate with the City, Brazoria County and other partners to finalize improvements in the corridor that will culminate over ten years of work. Plant procurement is ongoing as the plants continue to grow until delivery in Phase IV. Phase III Median Improvements were completed in June. PEDC is finalizing the construction plans and will be advertising for construction in early 2021 for the Phase IV improvements.

Along the SH 35 corridor, PEDC continues to actively work and participate financially on multiple projects in Catalyst #2 Business Park North and is planning for development in Catalyst #5 Business Park South. Rice Drier Road reconstruction is nearly complete, and Halik Street is in design for reconstruction next year. Staff are also working on a potential redevelopment of the property at 2401 Main Street and Alice Street.

PEDC completed the Broadway Corridor Development Plan in May and is working with TxDOT to provide input into their design process for the reconstruction of Broadway/FM 518 from Main to SH 288 in line with the plan's recommendation. The City will be required to pay for any aesthetic upgrades along with a portion of the right of way acquisition and for relocation of the City water and sewer facilities that are currently in the right of way.

7.0 Workforce and Talent

Pearland is a highly educated community that boasts excellent PK-12 public schools and proximity to numerous higher education institutions and training providers. However, there are several opportunities to further leverage Pearland's advantages with respect to talent development and address outstanding workforce and training needs. Public, private, and non-profit partners in Pearland must work together to further enhance the community's workforce and, by extension, its competitiveness for jobs and investment.

In 2021, the Chamber and PEDC are in discussions regarding a facilitator to fully develop a formal framework dedicated to strengthening Pearland's talent pipeline and ensuring that employers have access to a competitive workforce.