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LETTER FROM THE CHAIRMAN

A SEA OF CHANGE

Greetings friends, colleagues and community partners, the community at large for the way Pasadena should be perceived.

On behalf of the Board of Directors of the Pasadena Economic Development Corporation (PEDC), I am pleased to present you with the FY 2019 Annual Report. As Chairman of this organization, I am proud of the work PEDC has done to bring new investment, help existing expansions, and add new jobs to the City of Pasadena. Over the last year, PEDC worked on various projects that totaled \$1.1 billion dollars in capital investment and 1,056 new full-time jobs for our city.

Since the implementation of our community Strategic Plan in 2018, the PEDC team has been laser focused on the goals that were identified in the plan. Over the last year, the team has made great strides to accomplish many of those goals. We have shifted focus slightly and have put an emphasis on the redevelopment opportunities for the city. Our team made good progress in overall infrastructure improvements of Historic Pasadena, including Phase I of Richey Street which is nearing completion. We have also developed plans for future redevelopment projects including the revitalization projects for both Shaw Street, Richey Street Phase II and implementation of the Pasadena Boulevard Master Plan.

From a marketing and image standpoint, our team identified the need for a cohesive and unified brand and messaging to help tell Pasadena's story. This story would share the progress we've seen over the last few years, while embracing the things that make Pasadena unique. In 2019 we partnered with a well-known economic development marketing firm on the creation of a new marketing image for the city. This new image is a shared vision between key entities, community leaders and

2019 was also the beginning of a new era for our city with the implosion of the First Pasadena State Bank Building that took place on July 21, 2019. After years of neglect and seeing it become a hazard to the community, our Board of Directors had a tough decision to make. Though our skyline may have changed, the structure will always hold a special place in the heart of the entire city.

The work of our team is never confined to what the community needs today, but rather a big picture vision for what the next decade might look like. Our strategic plan identified the need for a pipeline for future leaders for the community. This goal opened the opportunity for a partnership with the Pasadena Chamber of Commerce in the development of IMPACT Pasadena. After a monumental inaugural year of the program, we look forward to seeing the participants continue being empowered with interpersonal, leadership and communication skills that will continue to propel our city for years to come.

2019 was a year of significant growth for our region and organization and we cannot wait to see what 2020 has in store for Pasadena, Texas.

Sincerely,

Steve Cote

Steve Cote, Chairman
Pasadena Economic
Development Corporation



PEDC'S COMMUNITY STRATEGIC PLAN

In 2018 PEDC partnered with TIP Strategies on the development of a community strategic plan that took months of extensive research including interviews and meetings with over **100 community stakeholders**.

The plan serves the community as an organizational management tool used to set priorities, focus energy and resources, strengthen operations and ensuring key entities are working towards a common goal.

Additionally, the plan focuses on the main functions in which PEDC holds the greatest potential to affect positive change within our city, and also outlines **six main goals and strategies** designed to generate new private sector investment, business growth, job creation and a growing local tax base for the City of Pasadena.

The six major goals and some of the main focus areas outlined by the strategic plan include:

Goal 1 – Marketing & Image

- Focus on internal and external marketing of Pasadena's assets
- Civic leadership and young professional engagement
- New marketing materials and tactics focused on target industries

Goal 2 – Business Development

- Business retention and expansion (BRE)
- Target industry recruitment
- Entrepreneurship and small business development

Goal 3 – Workforce

- Leveraging San Jacinto College and its new Center for Petrochemical, Energy, and Technology for economic development
- A new career and tech center in North Pasadena
- Stronger engagement with UHCL

Goal 4 – Catalyst Projects

- Development of 6 major commercial corridors
- Explore redevelopment options for key anchors within the city

Goal 5 – Tourism & Retail

- Growth of retail, restaurants, and hotels along the Beltway 8 corridor
- Stronger linkages between business recruitment and event/ conference promotion
- Promotion of the Silver Sycamore district

Goal 6 – Support Structures for Economic Development

- Evaluate the potential benefits of establishing special districts using a range of modern urban planning tools such as a TIRZ, shared parking agreements, and other tools
- Work to upgrade Pasadena's visual appeal, especially along the 6 major corridors targeted for new development and redevelopment

Since its adoption, implementation of this plan has been PEDC's main focus as it relates to economic development efforts. In 2020, PEDC will continue to utilize the tool as a guiding map for Pasadena's growth and carry on the momentum we have witnessed thus far.

Visit PasadenaEDC.com to learn more.



PASADENA'S SKYLINE CHANGES

First Pasadena State Bank building demolition



On Sunday, July 21, 2019 the skyline of Pasadena, Texas changed forever with the implosion of the First Pasadena State Bank Building.

After years of neglect, the once iconic symbol of progress fell into a costly state of disrepair. Evidence of vandalism and extensive structural damage appeared regularly on rogue online footage. In addition to becoming an eyesore, the structure had also become a hazard to the community. In October of 2018, the PEDC purchased the property from the previous owner. Professional remediation crews worked for more than 6 months on asbestos abatement to ensure an environmentally safe implosion.

Although the building is now gone from Pasadena's skyline, the memories created and the history it represents will forever remain in the heart of all citizens.

There are no immediate plans for the lot, however, the demolition of the building opens up a clean slate with endless possibilities for redevelopment.

PEDC 2019 FINANCIAL REVIEW

*Name change to Pasadena Economic Development Corporation became official in early 2019. Formerly Pasadena Second Century Corporation.

	PSCC FY 2018 Year-end Actual	PEDC FY 2019 Year-end Actual
Operating Revenues		
Sales Tax	\$11,450,741.76	\$12,034,005.04
Interest Income	\$755,012.15	\$1,215,578.68
Miscellaneous	\$18,709.79	\$18,101.27
Sale of City Property	\$48,848.50	-
TOTAL	\$12,273,312.20	\$13,267,684.99
Expenditures		
Contractual Services*	\$1,390,438.31	\$1,708,013.01
Materials & Supplies	\$4,193.06	\$46,259.49
Capital Investments	\$8,313,678.63	\$6,086,836.34
Debt Expenses	\$28,177.33	\$1,036,238.06
TOTAL	\$4,651,873.11	\$8,877,346.90

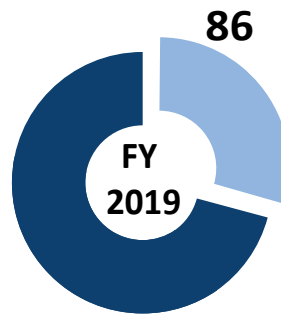
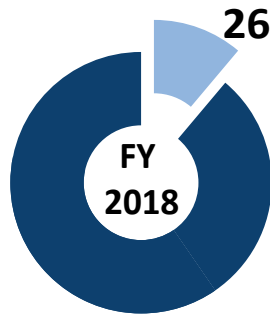
*Contractual Services include but are not limited to salaries, marketing, incentives, legal fees, strategic plan implementation services and other related professional services.

PEDC was created in 1998 as a nonprofit, Type B corporation under the Texas Development Corporation Act. It is financed by a half-cent sales tax collected in the City of Pasadena. State law allows the city to collect this sales tax to pursue specifically authorized economic development activities in the city.

The seven members of PEDC's Board of Directors are appointed by and serve at the discretion of the City of Pasadena Mayor and City Council. The Corporation's annual budget is approved by City Council.

ECONOMIC DEVELOPMENT BY THE NUMBERS

New Business & Expansions



\$1.1 Billion
in capital
investment

**New and
Retained
1,056 Jobs**



Major Projects At-A-Glance

COMPANY	RETAINED JOBS	NEW JOBS	TOTAL CAPITAL INVESTMENT
INEOS	95	98	\$349,000,000.00
H + M Industrial	260	78	\$10,500,000.00
Kinder Morgan Liquid Terminal	470	30	\$125,000,000.00
Preferred Freezer	-	-	\$30,000,000.00
Pasadena Performance Products	-	25	\$600,000,000.00
TOTALS	825	231	\$1,114,500,000.00

PASADENA BUSINESS POWERING POSSIBILITIES

→ INEOS breaks ground on new ASA Plant in Pasadena, Texas

INEOS Styrolution, part of UK chemical giant INEOS, has broken ground on a new 100-kilotonnes-per-annum (ktpa) acrylonitrile styrene acrylate (ASA) plant in Pasadena, Texas.

INEOS will invest approximately \$350 million in the development of this new plant, while creating 100 full-time jobs.

PEDC collaborated with Economic Alliance Houston Port Region to secure this new plant. PEDC also assisted through the process of obtaining a Texas Enterprise Zone (TEZ) nomination through Pasadena City Council.

The new plant is set for operation in 2021.



→ H+M Industrial EPC to Triple Fabrication Capacity with on-site Shop Expansion

H+M Industrial EPC recently broke ground to expand their on-site fabrication shop. This increase triples the current production capacity used to facilitate project execution for clients. The project is scheduled to be complete the first half of 2020 and is phase one of a two-phase expansion plan for the organization which includes a new office building in Pasadena, TX.

The expansion project investment will include two new buildings; first building will be 16,500 sq.ft. of fabrication shop and office space, second building will be 22,000 sq.ft. of engineering professional office space.

The PEDC negotiated an incentive agreement to keep this expansion project in Pasadena.

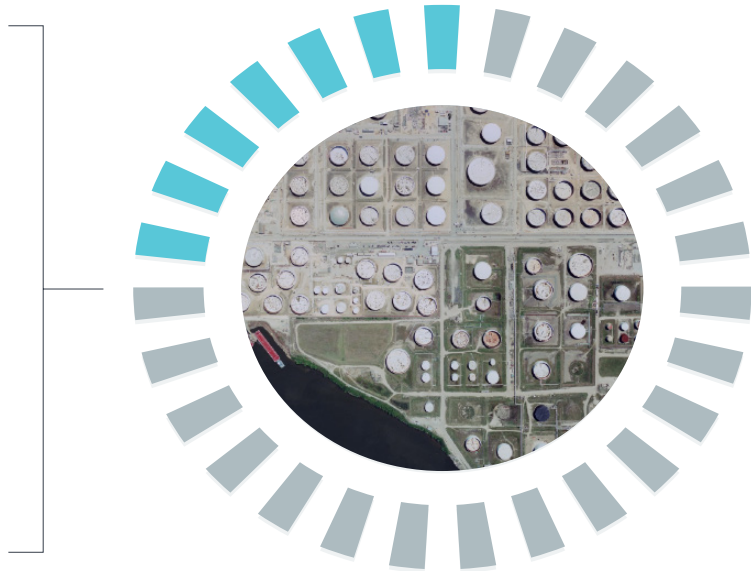


➔ **Kinder Morgan Liquid Terminal to undergo enhancement project**

Midstream giant Kinder Morgan will be investing \$170 million in its Pasadena Terminal, one of the biggest product storage facilities in Texas. The 340-acre Pasadena Terminal sits on the busy Houston Ship Channel, the hub of Texas' oil refining and petrochem industry.

The improvements which are expected to be completed by the end of the second quarter of 2020, are supported by a long-term agreement with a major refinery for approximately 2.0 million barrels of refined petroleum products storage capacity at the terminal.

PEDC assisted Kinder Morgan through the process of obtaining the Texas Enterprise Zone nomination and eventually having the TEZ approved by City Council on November 19, 2019.



➔ **Next Wave to Build Alkylate Production Facility in Pasadena**

Next Wave Energy Partners, LP has made a positive final investment decision (FID) to build a new alkylate production facility in Pasadena, Texas.

The facility, known as Project Traveler, will be located near the Houston Ship Channel at Next Wave's 53-acre site in Pasadena. At the facility, Next Wave will convert some of North America's ethylene supply to alkylate – which is a gasoline blending component that comprises up to 13 percent of the U.S.' overall gasoline pool. Project Traveler will have nameplate capacity of 28,000 barrels per day of alkylate.

PEDC in collaboration with Economic Alliance Houston Port Region worked to bring this project to Pasadena. PEDC worked with Next Wave on the de-annexation process for the property.

MARKETING REPORT CARD

Facebook



Engagement was and continues to be a priority for PEDC as we move forward in 2020. Ensuring that all of Pasadena's businesses and citizens are aware of important news and projects that relate to them is our utmost priority. 2019 was a game changer as it relates to social media growth. **Are you following?**

- 1,982% increase in followers
- 1,800% increase in page likes
- 700% increase in post reach
- 369% increase in post engagement
- 315% increase in page views
- 69% increase in video views

Twitter



- 167% increase in followers
- 237% increase in impressions
- 421% increase in profile visits
- 100% increase in mentions

LinkedIn



- 167% increase in followers
- 237% increase in impressions
- 421% increase in profile visits
- 100% increase in mentions

Pasadena Pulse

Last October, PEDC launched its first ever e-newsletter, **The Pasadena Pulse!** The goal of the newsletter is to keep the entire Gulf Coast Region informed of the great things happening in Pasadena, TX. For more information email: SMcDowell@PasadenaEDC.com

EXCELLENCE in Pasadena

The Texas Economic Development Council named PEDC a recipient of its 2019 Economic Excellence Recognition Program for the second year in a row. The Economic Excellence Recognition was announced at the TEDC's Winter Conference in College Station on February 20, 2020. The program recognizes economic development organizations that meet a desired threshold of professionalism.



PasadenaEDC.com At-A-Glance



24,130
Total Sessions

19,378
Total Users

19,233
New Users

00:04:56
Average Session Duration

TOP VISITORS

TOP COUNTRIES

- United States
- Canada
- France
- India
- Mexico
- Brazil
- Germany
- Japan

TOP STATES

- Texas
- Illinois
- California
- Virginia
- New York
- Florida
- Georgia
- Washington

The PEDC continues to enhance its marketing efforts to match Pasadena's growing business environment and international appeal. As stated in PEDC's strategic plan, marketing and image are and will continue to be a priority for the organization.

The PEDC team is committed to ensuring our materials contain information that is relevant and enticing while also utilizing the latest technology for marketing purposes. PasadenaEDC.com will soon have a new appearance. The focus on the website is critical to properly market Pasadena to site selectors, brokers and executives across the globe. The PEDC uses its website as one of the primary marketing tools providing relevant information to all corners of the world.



FORWARD MOVEMENT REDEVELOPMENT POSSIBILITIES

Successful economic development efforts are the result of partnerships and the combined effort of forces to achieve a common goal. Since the launch of its strategic plan in 2018, PEDC has focused on leveraging partnerships to maximize its efforts. The PEDC works closely with the City of Pasadena and various other allies to ensure projects are addressed and implemented.

The PEDC's strategic plan also focuses on the importance of maximizing resources through redevelopment opportunities and the PEDC is committed to enhancing the city through these avenues all the while contributing to economic growth and employment generation.

Key Infrastructure improvements continue to be a top priority for PEDC in 2020. Our strategic plan emphasizes PEDC's collaboration with the City of Pasadena to work on upgrading Pasadena's visual appeal, especially along major commercial corridors and in districts targeted for new development and redevelopment. The following major corridors were identified as part of those key locations for PEDC to focus efforts on:

Richey Road – Phase 1

Investment: \$15-million (Collaboration between City of Pasadena, Harris County & PEDC)

Coverage: 1.5 miles (Hwy 225 – Southmore)

Update: Close to completion

Richey Road – Phase 2

Investment: TBD

Coverage: ~ 0.5 mile (Southmore – South Houston Road)

Update: PEDC is talking to local businesses and property owners to get their feedback on improvements they would like to see.

Shaw Street

Investment: TBD

Coverage: Carl Street to McMasters Avenue

Update: PEDC is conducting outreach efforts to determine project's scope, timeline and total budget. Additionally, PEDC is talking to property owners to get their feedback on improvements they would like to see in the area.

Pasadena Blvd

Investment: TBD

Coverage: Hwy 225 – Southmore

Update: On January 23, 2020 the PEDC Board of Directors approved and adopted a master plan for Pasadena Blvd. This plan outlines the vision our organization has for this project.

Stay tuned to The Pasadena Pulse and our social media pages for updates and more information on these and other redevelopment efforts.



OUR 2020 VISION KEY INITIATIVES FOR PEDC IN 2020

Small Business Support Program

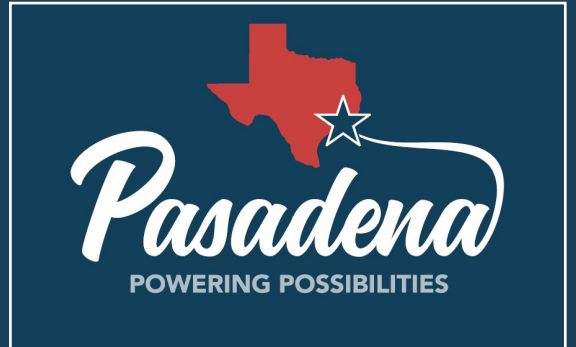
As a part of a Business Retention and Expansion (BRE) program, PEDC will continue the support of small business in 2020. Some of the areas of focus include our business enhancement program, permitting and resources for businesses. PEDC is working closely with the City of Pasadena's permitting department to enhance the process for businesses. Additionally, PEDC is also working with local allies such as the Small Business Development Council (SBDC) to ensure we supply businesses with the tools they need to succeed.



Community Branding

Many exciting things are happening in our city. The new "Pasadena; Powering Possibilities" brand will be a tool used by our organization in collaboration with the City of Pasadena to help tell a vibrant, consistent and cohesive message for our city.

Our plan for this brand in 2020 is to refine the messaging to position and highlight our city's assets in a way that will generate community pride and spark economic development.



Livable Centers Study

The Houston-Galveston Area Council awarded the City of Pasadena a grant to complete a Livable Centers Study. The Study will focus on the area roughly bounded by Richey Avenue, Shaw Avenue, Red Bluff Rd and Southmore Avenue. Ultimately, the study will yield strategies to improve pedestrian and bike infrastructure, green space amenities, and spur housing and economic development to revitalize the City Center as the premier place to live, work and play. PEDC will be assisting with some of the components of this study.



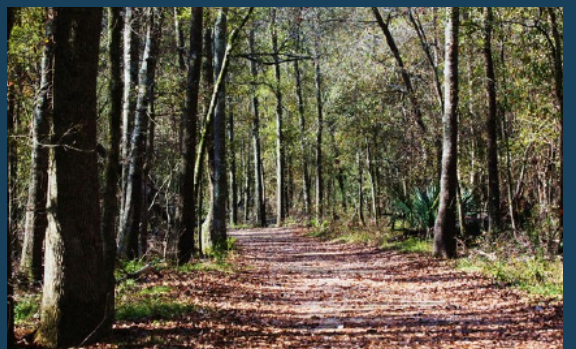
City-wide Strategic Plan

The City of Pasadena's Planning Department is initiating a year long process to complete the first city-wide, community-led strategic plan. PEDC will be assisting with the fiscal analysis portion of the plan, which is a key component to deliver and guide the plan that will spur future growth and renewal in the City.



Quality of Life Projects

Making Pasadena a great place to live, work, and play means investing in quality of life improvements. Since 2019, the PEDC has invested staff time into supporting a Healthy Parks Master Plan; funding a new gateway sign that reflects the city's new brand; and planning for new off-road trail segments.



IMPACT

Pasadena

The PEDC Community Strategic Plan's Marketing and Image strategy called for a need to engage young professionals and emerging business leaders as a target audience in Pasadena's economic development program.

More specifically, it identified the Pasadena Chamber of Commerce as a potential partner in the development of a leadership program that could serve as a pipeline of engaged civic leaders who support not only economic development but the City of Pasadena overall.

It was from this strategy and goal that IMPACT Pasadena was born and created in 2019 in partnership with the Pasadena Chamber of Commerce.

IMPACT Pasadena is a transformative professional leadership experience for Pasadena's business and community leaders. The program focuses on key pillars such as leadership, government,

economic development and community impact. Furthermore, the program not only educates the participant on these important components of the community, but equips and empowers the participants with interpersonal, leadership and communication skills for both professional and personal growth. The main objective of the program is to engage and encourage the participants to be and remain connected to the City of Pasadena and motivate them to want to step up and be the next generation of leaders to help shape the future of the city.

The program had a monumental inaugural year in 2019 and has recently launched its second year promising even more growth and the opportunity to create a network of like-minded individuals to who seek positive transformation for Pasadena.

More information on the program can be found at PasadenaChamber.org/Impact



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Rick Lord
Vice President



Emilio Carmona
Secretary



Marilyn Wilkins
Treasurer



Ernesto Paredes
Board Member



Steve Phelps
Board Member



Salvador Serrano
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Executive Staff



Carlos Guzman,
CEcD, EDFP
Executive Director



Rick Guerrero
Manager



Suzette McDowell
Marketing Manager



Sheena Salvino
Redevelopment
Manager



Karina Tomlinson
Executive Assistant

Pasadena EDC
713•920•7957
1149 Ellsworth Drive
Pasadena, TX 77504



MOVING. FORWARD. TOGETHER.

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