JOINT MEETING OF THE
CITY COUNCIL OF THE CITY OF FRIENDSWOOD AND THE BOARD OF DIRECTORS OF REINVESTMENT ZONE NUMBER TWO, CITY OF FRIENDSWOOD
MONDAY, SEPTEMBER 23, 2024, 5:00 P.M.
COUNCIL CHAMBERS, CITY HALL
910 S. FRIENDSWOOD DR, FRIENDSWOOD, TEXAS 77546

AGENDA

1. **CALL TO ORDER**

2. **INVOCATION**

3. **PLEDGE OF ALLEGIANCE -** United States Pledge and State of Texas Pledge.

4. **COUNCIL COMMENTS AND REPORTS**

   Notice is hereby given in accordance with Section 551.0415 of the Texas Government Code, the City Council of the City of Friendswood may receive reports about items of community interest from City staff and/or a member of the City Council, but no action or possible action shall be taken or discussed concerning the subject of such report.

5. **PUBLIC COMMENT**

   In order to comply with the provisions of the Open Meetings Act, neither the City Council of the City of Friendswood nor the Board of Directors of Reinvestment Zone Number Two, City of Friendswood may deliberate any item not listed on the agenda, as such, the City Council and the Board of Directors will listen to public comment and may (i) refer the item to City Management for further action or (ii) direct staff for the placement of said item on a future agenda. During public comment, the public shall comply with the Council's rules of decorum.

6. **CITY COUNCIL - EXECUTIVE SESSION**

   A. Recess into and conduct an executive session pursuant to Section 551.071 of the Texas Government Code to seek the advice of the City's attorneys regarding *Johnson, et ux. v. Foreman, et al.*; Cause No. 24-CV-1392 in the 10th Judicial District Court, Galveston County, Texas.

7. **CITY COUNCIL - DISCUSSION AND POSSIBLE ACTION**

   A. Consider approving a settlement agreement in *Johnson, et ux. v. Foreman, et al.*; Cause No. 24-CV-1392 in the 10th Judicial District Court, Galveston County, Texas.

8. **TIRZ #2 BOARD - BUSINESS ITEMS**

   A. Consider the election of a Vice Chair and Secretary of the Board of Directors of Reinvestment Zone Number Two, City of Friendswood.

   B. Consider approving Rules of Procedure for Reinvestment Zone Number Two, City of Friendswood.

   C. Consider adopting the Project Plan and Reinvestment Zone Financing Plan for Reinvestment Zone Number Two, City of Friendswood.

   D. Consider approving the Development Agreement by and between Castle Biosciences, Inc., the City of Friendswood, and Reinvestment Zone Number Two, City of Friendswood.

9. CITY COUNCIL – CONSENT

All Consent Agenda items listed are considered to be routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items unless a Council Member requests, in which event the item will be removed from the Consent Agenda and considered in its normal sequence on the agenda.

A. Consider an ordinance approving the Project Plan and Reinvestment Zone Financing Plan for Reinvestment Zone Number Two, City of Friendswood.

B. Consider approving the Development Agreement by and between Castle Biosciences, Inc., Reinvestment Zone Number Two, City of Friendswood, and the City of Friendswood.

10. ADJOURNMENT

PUBLIC NOTICE IS GIVEN THAT IN ADDITION TO ANY EXECUTIVE SESSION LISTED ABOVE, THE CITY COUNCIL AND THE BOARD OF DIRECTORS OF REINVESTMENT ZONE NUMBER TWO, CITY OF FRIENDSWOOD RESERVE THE RIGHT TO ADJOURN INTO EXECUTIVE SESSION AT ANY TIME AS AUTHORIZED BY THE TEXAS GOVERNMENT CODE SECTIONS 551.071 - 551.090 TO DISCUSS ANY MATTERS LISTED ABOVE.

THE CITY OF FRIENDSWOOD AND REINVESTMENT ZONE NUMBER TWO, CITY OF FRIENDSWOOD ARE COMMITTED TO COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT. REASONABLE ACCOMMODATIONS AND EQUAL ACCESS TO COMMUNICATIONS WILL BE PROVIDED UPON REQUEST. PLEASE CONTACT THE CITY SECRETARY'S OFFICE BY PHONE AT (281) 996-3270, FAX (281) 482-1634, OR CONTACT (281) 996-3270 VIA RELAY TEXAS AT 711 OR 1-800-735-2988 FOR TYY SERVICES. FOR MORE INFORMATION CONCERNING RELAY TEXAS, PLEASE VISIT: HTTP://RELAYTEXAS.COM.

Leticia Brysch, City Secretary
Posted in compliance with the Open Meetings Act on this 20th day of September, 2024, at 4:30 p.m.

FRIENDSWOOD CITY COUNCIL
AGENDA ITEM FORM

This form should be completed and forwarded to the City Manager's Office as soon as possible prior to the first date that the item is expected to be placed on the Friendswood City Council agenda.

Date requested for City Council consideration: September 23, 2024

Date submitted: 09/13/2024

Prepared by: Leticia Brysch, Assistant City Manager/City Secretary

Subject: Recess into and conduct an executive session pursuant to Section 551.071 of the Texas Government Code to seek the advice of the City's attorneys regarding *Johnson, et ux. v. Foreman, et al.*; Cause No. 24-CV-1392 in the 10th Judicial District Court, Galveston County, Texas.

Originating Department: City Attorney

Degree of importance: This item allows the City Council to convene an executive session pursuant to Section 551.071 of the Texas Government Code to seek the advice of the City's attorneys regarding *Johnson, et ux. v. Foreman, et al.*; Cause No. 24-CV-1392 in the 10th Judicial District Court, Galveston County, Texas.

SUMMARY / ORIGINATING CAUSE

This item allows the City Council to convene an executive session pursuant to Section 551.071 of the Texas Government Code to seek the advice of the City's attorneys regarding *Johnson, et al. v. Foreman, et ux.*; Cause No. 24-CV-1392 in the 10th Judicial District Court, Galveston County, Texas.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

ATTACHMENTS

FRIENDSWOOD CITY COUNCIL
AGENDA ITEM FORM

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Date requested for City Council consideration: September 23, 2024

Date submitted: 09/18/2024

Prepared by: Karen Horner, City Attorney

Subject: Consider approving a settlement agreement in *Johnson, et ux. v. Foreman, et al.*; Cause No. 24-CV-1392 in the 10th Judicial District Court, Galveston County, Texas.

Originating Department: City Attorney

Degree of importance: This item allows the City Council to approve a settlement agreement in Johnson, et ux. v. Foreman, et al.; Cause No. 24-CV-1392 in the 10th Judicial District Court, Galveston County, Texas.

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FRIENDSWOOD CITY COUNCIL
AGENDA ITEM FORM

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Date requested for City Council consideration: September 23, 2024

Date submitted: 09/18/2024

Prepared by: Karen Horner, City Attorney

Subject: Consider the election of a Vice Chair and Secretary of the Board of Directors of Reinvestment Zone Number Two, City of Friendswood.

Originating Department: City Attorney

Degree of importance: On June 3, 2024, the City Council passed Ordinance No. 2024-17, designating Reinvestment Zone Number Two, City of Friendswood (the "Zone"). In such ordinance, the City Council created the Board of Directors for the Zone (the "Board") and provided that the Board will consist of the members of the City Council. The Mayor serves as the Chair of the Board until January 1, 2025.

This item allows the Board to elect a Vice-Chair to serve in the absence of the Chair along with a Secretary.

The terms of these offices will expire on January 1, 2025, and a new slate of officers may be elected. However, if a new Chair is not elected prior to that time, the Mayor shall continue serving as the Chair until January 1 of the following year.

SUMMARY / ORIGINATING CAUSE

On June 3, 2024, the City Council passed Ordinance No. 2024-17, designating Reinvestment Zone Number Two, City of Friendswood (the "Zone"). In such ordinance, the City Council created the Board of Directors for the Zone (the "Board") and provided that the Board will consist of the members of the City Council. The Mayor serves as the Chair of the Board until January 1, 2025.

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IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

ATTACHMENTS

FRIENDSWOOD CITY COUNCIL
AGENDA ITEM FORM

This form should be completed and forwarded to the City Manager's Office as soon as possible prior to the first date that the item is expected to be placed on the Friendswood City Council agenda.

Date requested for City Council consideration: September 23, 2024

Date submitted: 09/18/2024

Prepared by: Karen Horner, City Attorney

Subject: Consider approving Rules of Procedure for Reinvestment Zone Number Two, City of Friendswood.

Originating Department: City Attorney

Degree of importance: This item allows the Board of Directors to adopt rules of procedure for its meetings. The proposed rules are similar to those of the City Council and include provisions concerning:

1. general aspects of Board meetings, including where the meetings will be held, attendance at meetings, and amendment and suspension of the rules;
2. duties of the presiding officer;
3. rules of decorum for Board Members, members of staff, and the public;
4. order of business; and
5. various motions, including the recently adopted rules concerning friendly amendments and discussions.

Please note that in accordance with state law, a majority of the Board Members present and voting will be required in order for the Board to take any official action, except the rules require: (i) the affirmative vote of four (4) members to reconsider an item defeated by the Board in the last 90 days and to amend the rules of procedure, and (ii) the affirmative vote of 2/3 of members present and voting to object to consideration, to expel a Member for failure to follow rules of decorum, and to close debate (if needed). The rules also provide that if there is a joint meeting between the Board and the City Council, the rules of the City Council will control in case of a conflict.

SUMMARY / ORIGINATING CAUSE

This item allows the Board of Directors to adopt rules of procedure for its meetings. The proposed rules are similar to those of the City Council and include provisions concerning:

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IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

Staff recommends approval.

ATTACHMENTS

1. Rules of Procedure

REINVESTMENT ZONE NUMBER TWO, CITY OF FRIENDSWOOD
RULES OF PROCEDURE

1. PURPOSE

1.1 Authority
The Board of Directors (the "Board") of Reinvestment Zone Number Two, City of Friendswood (the "Zone"), hereby enacts these rules of procedure for all meetings; provided, however, should there be any conflict between these rules and the rules adopted by the City, the rules adopted by the City Council shall control during a joint meeting of the Board and the City Council.

1.2 Purpose
The rules of procedure are enacted as guidelines to be followed by all persons at Board meetings, including administrative staff, news media, and visitors.

2. GENERAL RULES

2.1 Meetings to be Public
All meetings of the Board shall be open to the public, except as authorized by law.

2.2 Quorum
Four or more members of the Board shall constitute a quorum for the transaction of business.

2.3 Compelling Attendance
No member shall be excused from attendance at a Board meeting except for good, valid reasons.

2.4 Minutes of Meetings
An account of all proceedings of the Board shall be kept by the City Secretary, which account shall constitute the official record of the Board.

2.5 Questions to Contain One Subject
All questions submitted for a vote shall contain only one (1) subject.

2.6 Right of Floor
Any member desiring to speak shall be recognized by the Presiding Officer and shall confine his/her remarks to the subject under consideration or to be considered and will not be interrupted.

2.7 City Manager
The City Manager or Acting City Manager shall attend all meetings of the Board, unless excused. He/she may make recommendations to the Board and shall have the right to take part in all discussions of the Board, but shall have no vote.

2.8 City Attorney

The City Attorney shall attend all meetings of the Board unless excused and shall, upon request, give an opinion, either written or oral, on questions of law. The City Attorney shall act as the Board's parliamentarian.

2.9 City Secretary

The City Secretary or Acting City Secretary shall attend all meetings of the Board unless excused, shall act as the reading and recording secretary of the Board, shall keep the official minutes, and shall perform such other duties as may be requested and assigned by the City Manager.

2.10 Sergeant at Arms

The highest-ranking police officer of the Friendswood Police Department in attendance at any meeting of the Board shall be, and is hereby designated and appointed as, the Sergeant at Arms for such meeting.

2.11 Officers and Employees

Any officer or employee of the City, when requested by the City Manager, shall attend any meeting of the Board and present information relating to matters before the Board.

2.12 Absences

The Board hereby delegates its duty to excuse absences of Board Members, the City Manager, the City Secretary, the City Attorney or any other officer or employee required to attend any meeting of the Board.

2.13 Suspension of Rules

Any provision of these rules not governed by state law may be temporarily suspended by the affirmative vote of a majority of the members of the Board present.

2.14 Amendment of Rules

These rules may be amended, or new rules adopted, by the affirmative vote of four (4) or more members of the Board.

3. MEETINGS

Meetings shall be held in the Council Chamber of City Hall, 910 S. Friendswood Drive, Friendswood, Texas, or other location as called by the City Secretary upon the request of the President, the City Manager, or three (3) members of the Board. The City Secretary shall notify each member of the Board of the meeting and shall post notice of the meeting in accordance with Chapter 551, Texas Government Code, as amended.

4. PRESIDING OFFICER AND DUTIES

4.1 Presiding Officer

The Chair, or in his/her absence, the Vice Chair, shall preside as the Presiding Officer at all meetings of the Board. In the absence of both the Chair and Vice Chair, and with a quorum being present, any Board Member may be appointed by a majority of the Board Members present and voting. No Board Member shall be required to abstain from voting on the election of a Presiding Officer under this section.

4.2 Call to Order

The meetings of the Board shall be called to order by the Chair, or in his/her absence, the Vice Chair. In the absence of both the Chair and the Vice Chair, the meeting shall be called to order by the City Manager.

4.3 Preservation of Order

The Presiding Officer shall (i) preserve order and decorum, (ii) prevent insulting references to Board Members, impugning of other members' motives, and repetitious comments and (iii) confine remarks to the question under discussion. The Presiding Officer shall call upon the Sergeant at Arms as necessary to enforce compliance with the rules contained therein.

4.4 Substitution for Chair

The Chair may call upon the Vice Chair, or if he/she is unavailable, then any other member, to take his/her place for a portion of a meeting. Such substitution is not to continue beyond adjournment.

4.5 Points of Order

The Presiding Officer shall determine all points of order, subject to the right of any member to appeal to the Board. If any appeal is taken, the following question shall be posed: "Shall the decision of the Presiding Officer be sustained"? If a majority of members present and voting vote "No," the ruling of the Presiding Officer is overruled; otherwise, it is sustained.

4.6 Questions to be Stated

The Presiding Officer shall state all questions submitted for a vote and announce the results. A roll call shall be taken upon the request of any member.

4.7 Recess

In addition to recessing for an executive session, the Presiding Officer may recess a meeting for up to fifteen (15) minutes at regular intervals of approximately one (1) hour at appropriate points in the meeting agenda.

4.8 Votes

Board Members shall clearly indicate their vote on each matter submitted to a vote.

(a) The Presiding Officer may make or second motions, and shall vote on all matters before the Board, unless otherwise prohibited by law, but shall have no power of veto.

(b) The Presiding Officer shall have no power to recess a meeting or to adjourn a meeting to prevent the Board from considering an agenda item or lay the same out for consideration except in strict accordance with the Texas Open Meetings Act, the City Charter, and as enacted herein. If, not withstanding the positive provisions of this rule, the Presiding Officer, whether Chair, Vice Chair, or Board Member presiding, shall attempt to prevent the Board from taking any action on any agenda item brought before it, any Board Member present may call for a vote of the Board to consider the matter.

(c) Except as otherwise provided by law or these rules, all action required of the Board shall be made by a majority of the members of the Board present and voting.

(d) Excluding conflicts of interest as provided by state law, all Board Members present at each meeting must vote on each subject presented for Board vote.

5. CODE OF CONDUCT

5.1 Board Members

(a) During Board meetings, Board Members shall preserve order and decorum and shall neither by conversation or otherwise delay or interrupt the proceedings nor refuse to observe the rules of the Board.

(b) A Board Member, once recognized, shall not be interrupted while speaking unless a point of order is raised by another member or the parliamentarian, or unless the speaker chooses to yield to questions from another member. If a Board Member is called to order while he/she is speaking, he/she shall cease speaking immediately until the question of order is determined. If ruled to be in order, he/she shall be permitted to proceed.

(c) Any member of the Board, including the Chair, who fails to observe decorous and orderly behavior during a meeting or who disturbs a meeting of the Board with such disorderly conduct, is subject to being expelled from such meeting upon motion passed by two-thirds (⅔) vote of the Board present and voting at this meeting.

(d) Any member of the Board, including the Chair, reprimanded by motion or expelled from a meeting by motion who thereafter commits another breach of decorous and disorderly behavior during a subsequent meeting and again disturbs any meeting of the Board by such disorderly conduct shall be subject to the same power of the Board to reprimand him/her, expel him/her from the meeting, or subject such member to investigation by the City Council in accordance with Section 3.16 of the Charter.

5.2 Administrative Staff

(a) Members of the Administrative staff and employees of the City shall observe the same rules of procedure and decorum applicable to members of the Board and shall have no voice unless and until recognized by the Chair or Presiding Officer.

(b) While the Presiding Officer shall have the authority to preserve decorum in meetings as far as staff members and City employees are concerned, the City Manager also shall be responsible for the orderly conduct and decorum of all City employees under his/her direction and control.

(c) All remarks and questions addressed to the Board shall be addressed to the Board as a whole and not to any individual member thereof.

(d) No staff member, other than a staff member having the floor, shall enter into a discussion either directly or indirectly without permission of the Chair or Presiding Officer.

5.3 Citizens

(a) Members of the public are welcome and invited to attend all open meetings of the Board and will be admitted to the Council Chamber or other room in which the meeting is held, up to the fire safety capacity of the room and/or to protect the health, safety, and welfare of the public.

(b) Persons will refrain from private conversation in the Chamber, or other room, while the Board meeting is in session.

(c) Persons attending Board meetings shall observe the same rules of propriety, decorum, and good conduct applicable to the administrative staff.

(d) A member of the public addressing the Board or in attendance at a Board meeting shall not engage in any manner which disrupts the orderly conduct of a Board Meeting, including, but not limited to, demonstrations, unauthorized remarks, the carrying of signs or placards, and/or the display of banners. Recording equipment is permissible to the extent that such equipment or the use thereof does not (i) interfere with the meeting, (ii) block means of ingress or egress, (iii) obstruct the view or interfere with the listening of attendees, and/or (iv) prevent or otherwise unreasonably impair attendees from participating in the meeting.

(e) The Chair may rule a member of the public out of order and in violation of these rules if: (i) the member, after having been given the floor, speaks beyond the allocated time limit and refuses to yield the floor; (ii) the person's remarks are not relevant to the agenda item under consideration; (iii) the person repeatedly interrupts a Board Member; (iv) the person's remarks are disruptive so as to disturb the peace and good order of the meeting, through use of, without limitation, loud, threatening, hostile, abusive, vulgar or obscene language or any other actions that disturb or are calculated to disturb the meeting; (v) the person engages in any conduct with the intent to break up the meeting of the Board or urges others to commit acts or engage in conduct to break up the meeting, including unreasonably loud and prolonged yelling, screaming, clapping or noise-creating acts which render it impossible or difficult for the Board to conduct or continue with the meeting; or (vi) the person willfully refuses or fails to comply with any Board Rule of Procedure or with any reasonable order of the Presiding Officer.

(f) Any person while addressing the Board or while attending the Board meeting violating these rules shall be given one (1) warning. If these rules continue to be violated after such warning, the person violating the rules shall be removed from the room if the Sergeant at Arms is so directed by the Chair or Presiding Officer, and such person shall be barred from further audience before the Board during that session of the Board. In case the Presiding Officer shall fail to act, any member of the Board may move to require him/her to act to enforce the rules, and the affirmative vote of a majority of the members of the Board present and voting shall require the Presiding Officer to act.

5.4 In General

(a) Rules
Robert's Rules of Order (latest revision) shall be used as a guide, unless Robert's Rules of Order are in conflict with the rules of procedure hereby adopted. Any one (1) or more of these rules of procedure may be suspended by the affirmative vote of a majority of the members of the Board present and voting in order to allow a particular consideration of a matter. Where any rule embodies a provision of state law, identically or in substance, such rule may not be suspended.

(b) Recognition by Presiding Officer
No person shall address the Board without first being recognized by the Presiding Officer.

(c) Procedure
Each person addressing the Board shall approach the podium, give his/her name and address in an audible tone of voice for the record, and state the

subject the person wishes to discuss. All comments shall be addressed to the Board as a whole and not to any member thereof. No person other than members of the Board and the person having the floor shall be permitted to enter into any discussion, directly or through a member of the Board, without permission of the Presiding Officer. No question may be asked a member of the City staff without the permission of the Presiding Officer.

(d) Charges against employees
Should any person in a Board meeting charge an employee with improper conduct, malfeasance, nonfeasance, or misfeasance, then in such event, such person shall be ruled out of order immediately and instructed to refer his/her complaint to the City Manager.

(e) Disturbances
No person attending any Board meeting shall delay, interrupt, or disrupt the proceedings or refuse to obey the orders of the Presiding Officer. Any person making personal, impertinent, and slanderous remarks or who becomes boisterous while addressing the Board or while attending the Board meeting shall be removed from the room if the Sergeant at Arms is so directed by the Presiding Officer.

(f) Communication devices

(1) The use of wireless communication devices to send/receive text messages, instant messages, and/or emails between members of the Board during Board meetings is prohibited.

(2) No person attending any Board meeting shall possess a pager, cellular telephone, radiotelephone, or other device that is set in a mode to provide audible notification of an incoming call, text, or page.

(3) No person attending any Board meeting shall use a cellular telephone, radiotelephone, or other telecommunication device for audible communications while the Board meeting is in session.

6. ORDER OF BUSINESS

6.1 Agenda
The order of business of each regular and special meeting shall be as contained in the agenda prepared by the City Manager. The agenda shall be a listing by topic of subjects to be considered by the Board. Placement of items on the agenda shall be governed by this section. The placement of agenda items for each meeting is determined as follows:

(a) Except as provided in subsection (b) of this section, all items to be brought before the Board for its consideration should be submitted in writing to the City Secretary and/or City Manager not later than 2:00 p.m. of the Monday preceding the meeting at which the same is to be considered.

(b) The City Manager, or the Chair, or two Board Members must grant approval for an item to be included on the agenda.

(c) When an item has been placed before the Board and defeated, the same identical question shall not again be considered by the Board until ninety (90) days have elapsed, unless the Board, by the vote of at least four (4) Board Members, waives this restriction as to the item.

The agenda order set out is the desired order for conducting the business of the Board. When in the best interest of the Board and the citizens of the City require, any item appearing on the agenda shall be considered out of order as shall be determined by the Presiding Officer in his/her sole discretion.

6.2 Agenda Order

The order of the agenda shall be as follows unless the Chair, or City Manager, determines that a different order is in the best interest of the Board and/or the citizens of the City:

(a) **Call to Order.**

(b) **Board Comments.**
Each member of the Board will be given a five-minute time period to provide comments about items of community interest, pursuant to Section 551.0415 of the Texas Government Code, which include:

(1) Expressions of thanks, congratulations, or condolences;

(2) Information regarding holiday schedules;

(3) An honorary or salutatory recognition of a public official, public employee, or other citizen, except that a discussion regarding a change in the status of a person's public office or public employment is not an honorary or salutatory recognition;

(4) Information regarding a social, ceremonial, or community event organized or sponsored by an entity other than the governing body that was attended or is scheduled to be attended by a member of the governing body or an official of the governing body; and

(5) Announcements involving an imminent threat to the public health and safety of people in the City that have arisen after the posting of the agenda.

(c) Public Comment.

(1) Members of the public shall have a reasonable opportunity to be heard at meetings of the Board in regard to any and all matters to be considered at any such meetings, or such other matters as citizens may wish to bring to Board's attention. Any matter not posted on the agenda may not be discussed by Board, nor shall any action be taken by Board, except to indicate that the matter may be placed on a later agenda.

(2) Each speaker shall submit a card requesting the right to address the Board to the City Secretary prior to the commencement of the meeting.

(3) Each speaker shall be granted a three-minute time period to speak before the Board, and the Chair or Presiding Officer shall retain the discretion to further limit or increase this time as he/she deems appropriate. Speakers may not pass their time.

(4) No electronic media is allowed for presentation during the public comment period. Information being presented to the Board should be in paper format, and ten (10) copies should be provided to the City Secretary for distribution to the Board and staff.

(d) Business Items.

The consent agenda may include routine matters which require no discussion (any member of the Board may remove an item from the consent agenda for discussion and possible action).

(e) Executive Session.
The Board may retire into executive session as authorized by Chapter 551, Texas Government Code, as amended. Matters discussed during each Executive Session shall be identified by certified agenda or tape recorded, prepared, and retained as required by law.

(f) Action Related to Executive Session.

(g) Adjournment.

7. MOTIONS

7.1 Motion to Table

A motion to table, when carried, does not permanently defeat an item. If such item is tabled by a majority vote of the Board, such item, if not sooner removed from the table, must be removed at the third meeting and acted upon, even if only to place the item on the table again.

7.2 Objection to Consideration

Upon any item being laid out, or any motion being made, any Board Member present, before there is any debate opened on the subject, may make a parliamentary objection to the consideration of the subject which need not be seconded. No debate shall then be permitted, and the Presiding Officer shall immediately put the question, "shall the objection be sustained"? If the objection is sustained by a vote of two-thirds (⅔) of the Board Members present and voting, the item is permanently defeated for that meeting and shall not be debated unless reconsidered under Section 6.1(c) of these rules.

7.3 Closing of Debate

If, during debate upon any matter before the Board, any member moves that the subject under discussion be put to a vote without further debate (and such a motion need not be seconded), the Presiding Officer shall immediately ask the Board, "is there any objection to proceeding to a vote on the matter before the Board being taken immediately?" If any member objects, the Presiding Officer shall immediately and without debate put the question, "shall the subject being discussed be put to a vote, without debate?" to a vote of the Board, and if two-thirds (⅔) of the Board Members present and voting vote in favor of ordering the vote, debate on the question shall be closed and a vote on the item taken immediately.

7.4 Procedure to Debate

(a) The Chair or Presiding Officer shall have the right to participate in debate of issues pending before the Board.

(b) Prior to a motion concerning an item on the agenda, the Chair or Presiding Officer may (i) call upon the City Manager or his designee to provide an overview of the item, and/or (ii) allow the members of the Board to discuss the matter.

7.5 Amendments

A motion may be amended without a formal vote as a "friendly amendment" if both the first and second of the main motion agree to the amended language. If they do not, the amended motion is voted on and then the Board shall return to the main motion.

7.6 Vote Required

An affirmative vote of a majority of the Board Members present is necessary to take any official action in the name of the Board except as otherwise provided by state law or these rules. Should state law require more than a majority of Board Members to pass an item, the City Manager or the City Attorney shall notify the Board of such requirement prior to the vote.

FRIENDSWOOD CITY COUNCIL
AGENDA ITEM FORM

This form should be completed and forwarded to the City Manager's Office as soon as possible prior to the first date that the item is expected to be placed on the Friendswood City Council agenda.

Date requested for City Council consideration: September 23, 2024

Date submitted: 09/18/2024

Prepared by: Karen Horner, City Attorney

Subject: Consider adopting the Project Plan and Reinvestment Zone Financing Plan for Reinvestment Zone Number Two, City of Friendswood and submitting such plans to the City Council.

Originating Department: City Attorney

Degree of importance: This item allows the Board of Directors of Reinvestment Zone Number Two, City of Friendswood (the "Zone") to adopt the Project Plan and Reinvestment Zone Financing Plan (collectively the "Plan") for the Zone. Upon adoption by the Board, the Plan will be submitted to the City Council for approval. The Plan includes, but is not limited to, the following:

1. the estimated non-project costs;
2. the categories and locations of public improvements;
3. the estimated project and administrative costs together with the estimated timeline in which such cots will be incurred;
4. a feasibility study;
5. estimated bonded indebtedness;
6. the appraised value within the Zone, including the tax increment base and the estimated capture of appraised value;
7. the method of financing, including TIRZ fund contributions; and
8. the duration and termination of the Zone.

SUMMARY / ORIGINATING CAUSE

This item allows the Board of Directors of Reinvestment Zone Number Two, City of Friendswood (the "Zone") to adopt the Project Plan and Reinvestment Zone Financing Plan (collectively the "Plan") for the Zone. Upon adoption by the Board, the Plan will be submitted to the City Council for approval. The Plan includes, but is not limited to, the following:

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7. the method of financing, including TIRZ fund contributions; and
8. the duration and termination of the Zone.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

Staff recommends approval.

ATTACHMENTS

1. TIRZ #2 Project Plan and Financing Plan

REINVESTMENT ZONE NUMBER TWO, CITY OF FRIENDSWOOD PROJECT AND REINVESTMENT ZONE FINANCING PLAN

SEPTEMBER 23, 2024

TABLE OF CONTENTS

SECTION 1: DEFINITIONS

Capitalized terms used in this Final Plan (as that term is defined herein) shall have the meanings given to them in **Section I** below unless otherwise defined in this Final Plan or unless the context in which a term is used clearly requires a different meaning. Unless otherwise defined, a reference to a "Section," or an "Exhibit," shall be a reference to a Section of this Final Plan or an Exhibit or Appendix attached to and made a part of this Final Plan for all purposes.

"**Act**" means Chapter 311, Texas Tax Code, Tax Increment Financing Act, as amended.

"**Administrative Costs**" means the actual, direct costs paid or incurred by or on behalf of the City to administer the Zone, including planning, engineering, legal services, organizational costs, publicizing costs, or implementations costs paid by or on behalf of the City that are directly related to the administration of the Zone.

"Appraisal District" means the Galveston Central Appraisal District.

"**Board**" means the Board of Directors of the Zone.

"**Captured Appraised Value**" means the new taxable value generated in addition to the Tax Increment Base on a parcel-by-parcel basis for each year during the term of the Zone, as calculated and confirmed annually by the Appraisal District.

"**City**" means the City of Friendswood, Texas.

"**City Council**" means the governing body of the City.

"**City TIRZ Increment**" means one hundred percent (100%) of the City's ad valorem real property taxes collected and received by the City on the Captured Appraised Value in the Zone and deposited into the TIRZ Fund.

"**Designation Ordinance**" means Ordinance No. 2024-17, adopted by the City Council on June 3, 2024.

"**Feasibility Study**" means the economic feasibility study as evaluated over the term of the Zone and focused only on direct financial benefits, as shown on **Exhibit E**.

"Final Plan" means this Project Plan and Reinvestment Zone Financing Plan for the Zone.

"Non-Project Costs" means those certain costs that are incurred or expended by third parties to develop projects that benefit the Zone, but will not be financed by the Zone, as described in **Section 6**, and shown on **Exhibit B**.

"**Project Costs**" means the total costs for projects in the Zone, including the actual costs of financing the Public Improvements and the Administrative Costs.

"**Property**" means the 326.52 acres of land within the boundaries of the Zone, as depicted on **Exhibit A** and identified by parcel number on **Exhibit H**.

"**Public Improvements**" means the proposed public improvements to be financed by the Zone, which includes streets, detention, water, sanitary sewer, sanitary lift stations, clearing and grubbing, earthwork, paving and grading, landscaping, intersection signalization, storm drainage, street lights, and a public fire water loop, as detailed on **Exhibit C** and depicted on **Exhibit G**.

"**Tax Increment Base**" means total appraised value of taxable real property in the Zone at the time of designation of the Zone, as calculated and certified by the Appraisal District.

"**TIRZ Fund**" means the tax increment fund created and established by the City for the Zone and segregated from all other funds of the City.

"**Zone**" means the Reinvestment Zone Number Two, City of Friendswood, Texas.

SECTION 2: INTRODUCTION

2.1 Authority and Purpose

The Zone was designated by the City Council on June 3, 2024, pursuant to the Designation Ordinance, in an area within the corporate limits of the City covering 326.52 contiguous acres.

The purpose of the Zone is to facilitate such development or redevelopment by financing the costs of public works, public improvements, programs, and other projects benefiting the Zone, plus other costs incidental to those expenditures, all of which costs are authorized by the Act.

2.2 Zone

The Zone is located within the corporate limits of the City. The Property within the Zone is predominately open and undeveloped; and, because of the following factors, the sound growth of the City is substantially impaired or arrested: (i) the lack of public infrastructure, including, but not limited to, the absence of an adequate roadway network, the absence of a regional lift station, and the insufficiency of existing force main and water lines, which cause water pressure issues during peak demand; and (ii) the barriers to development presented by the former use of portions of the Property as an oil field.

Various corporations and developers have studied the Property within the Zone for possible development, including, but not limited to, the national supermarket chain Kroger, the multinational retailer Walmart, and the global real estate development company Hines, but none of these corporations or developers has pursued the development of the area within the Zone due to factors including the lack of public infrastructure and the substantial cost to construct the same, as well as barriers to development presented by the former use of portions of the Property within the Zone as an oil field.

Due to its size, location, and physical characteristics, including the lack of public infrastructure and the barriers to development presented by the former use of portions of the Property as an oil field, and due to the substantial cost to construct the necessary public infrastructure, development of the Property within the Zone will not occur solely through private investment in the foreseeable future. Because of the aforementioned characteristics, economic incentives are necessary to attract development for the purpose of providing long-term economic benefits, including, but not limited to, an increased real property tax base for all taxing units in the Zone.

2.3 Goals

Goal 1: Infrastructure Improvements

The construction of public infrastructure within the Zone is required to create an environment that will stimulate private investment in retail, residential, office and commercial developments.

If the Public Improvements are financed as contemplated by this Final Plan, the Property can be developed to take full advantage of the opportunity to bring to the City a quality development that offers a corresponding increase in the tax base and creates economic opportunity.

Goal 2: Economic Development

In addition to direct investment in capital improvements to public infrastructure or investment in public infrastructure to stimulate private investment, the Board hereby establishes and provides for the administration of an economic development program to incentivize private enterprise in the Zone and serve as a catalyst for other business developments pursuant to Section 311.010(h) of the Act and Chapter 380 of the Texas Local Government Code. The Zone's economic development program may include making grants and loans from the TIRZ Fund in an aggregate amount not to exceed the amount of City TIRZ Increment paid into the TIRZ Fund for activities that benefit the Zone and stimulate business and commercial activity in the Zone and may also be paired with other financing mechanisms as approved by the City Council.

SECTION 3: DESCRIPTION AND MAPS

3.1 Existing and Proposed Uses of Land (Section 311.011(b)(1) of the Act)

The Property within the Zone is currently zoned Commercial Shopping Center and Single Family Residential and is intended to be developed with commercial and residential uses. Portions of the Property were formerly used as an oil field, which creates barriers to development. The Property is undeveloped, and there is limited public infrastructure to support development, including, but not limited to, the absence of an adequate roadway network, the absence of a regional lift station, and the insufficiency of existing force main and water lines, which cause water pressure issues during peak demand. Development requires extensive public infrastructure that (1) the City can not provide, and (2) will not be provided solely through private investment in the reasonably foreseeable future. The proposed uses of the Property include retail, commercial, office, and single family residential development. Existing and proposed uses of the Property within the Zone are shown on **Exhibit F**.

SECTION 4: PROPOSED CHANGES TO ORDINANCES, PLANS, CODES, RULES, AND REGULATIONS

4.1 Proposed Changes of Zoning Ordinances, Master Plan of Municipality, Building Codes, and Other Municipal Ordinances (Section 311.011(b)(2) of the Act)

The Property within the Zone is wholly located in the corporate limits of the City and shall be subject to the City's zoning regulations. The Property is currently zoned as Commercial Shopping Center and Single Family Residential. The City has jurisdiction over the subdivision and platting of the Property and the design, construction, installation, and inspection of water, sewer, drainage, roadway, and other public infrastructure. No proposed changes to zoning ordinances, comprehensive plan, building codes, subdivision rules, or other municipal ordinances are planned.

SECTION 5: RELOCATION OF DISPLACED PERSONS

5.1 Method of Relocating Persons to be Displaced, if any, as a result of implementing the Project Plan (Section 311.011(b)(4) of the Act)

No person shall be displaced due to the implementation of the Final Plan.

SECTION 6: ESTIMATED NON-PROJECT COSTS

6.1 Estimated Non-Project Costs (Section 311.011(b)(3) of the Act)

Non-Project Costs are costs that will be incurred or expended by third parties for development of projects that benefit the Zone, but will not be financed by the Zone. Non-Project Costs will be derived from other funding sources, including private funds. The list of Non-Project Costs, the total cost of which is estimated to be to be approximately $516,279,621, is shown on **Exhibit B**.

SECTION 7: PROPOSED PUBLIC IMPROVEMENTS

7.1 Proposed Kind, Number and Location of all Proposed Public Works or Public Improvements to be Financed by the Zone (Section 311.011(c)(2) of the Act)

The Public Improvements include streets, detention, water, sanitary sewer, sanitary lift stations, clearing and grubbing, earthwork, paving and grading, landscaping, intersection signalization, storm drainage, street lights and a public fire water loop. All Public Improvements shall be designed and constructed in accordance with all applicable City standards and subject to inspection, approval and acceptance by the City. The locations of the proposed Public Improvements are depicted on **Exhibit G**.

SECTION 8: ESTIMATED PROJECT COSTS

8.1 Estimated Project Costs (Section 311.011(c)(1) of the Act)

The estimated Project Costs for the Zone are detailed on **Exhibit C** and include the Administrative Costs. The dollar amounts set forth in **Exhibit C** are approximate and may be amended from time to time by the Board with the approval of the City Council consistent with state law. The Project Costs are estimated to be $99,732,813.

8.2 Administrative Costs

The Administrative Costs are estimated to be $4,711,815. The Administrative Costs shall be paid each year from the TIRZ Fund before any other Project Costs are paid. The estimated Administrative Costs are the costs over the life of the TIRZ and can only be paid if there are available funds.

8.3 Estimated Time When Related Costs or Monetary Obligations Incurred (Section 311.011(c)(5) of the Act)

The Administrative Costs will be incurred annually throughout the duration of the Zone. It is estimated that the other Project Costs set forth in **Exhibit C** will be incurred between 2025 and 2030, as shown on **Exhibit D**.

SECTION 9: ECONOMIC FEASIBILITY

9.1 Economic Feasibility (Section 311.011(c)(3) of the Act)

The Feasibility Study for the Zone was prepared in May 2024 by P3Works, LLC with data provided by the City and the prospective developers of the Property within the Zone and is attached as **Exhibit E**. The Feasibility Study focuses on only direct financial benefits (i.e. ad valorem tax revenues generated from development within the Zone). Based on the Feasibility Study, during the term of the Zone, new development, which would not occur solely through private investment in the reasonably foreseeable future, will generate approximately $105,343,542 in total new real property tax revenue for the City over the remaining term of the Zone.

Approximately $105,343,542 in City TIRZ Increment will be deposited into the TIRZ Fund to pay for Project Costs over the remaining term of the Zone. The cumulative City TIRZ Increment as shown in the Feasibility Study revenue schedule set forth in **Exhibit E** exceeds the estimated Project Costs and will be generated in amounts sufficient to fund the Project Costs as and when such Project Costs are incurred during the term of the Zone. The remainder of the new City real property tax revenue generated within the Zone and retained by the City is estimated to be $0 over the term of the Zone.

Based on the foregoing, the economic feasibility of the Zone has been demonstrated. The Board and the City find and determine that the Final Plan is economically feasible.

SECTION 10: ESTIMATED BONDED INDEBTEDNESS

10.1 Estimated Amount of Bonded Indebtedness (Section 311.011(c)(4) of the Act)

Issuance of notes and bonds by or on behalf of the Zone may occur as tax increment revenues allow. The value and timing of the issuance of notes or bonds will correlate to debt capacity as derived from the revenue schedule set forth in **Exhibit E**, as well as actual market conditions for the issue and sale of such notes and bonds.

SECTION 11: APPRAISED VALUE

11.1 Current Total Appraised Value of Taxable Real Property (Section 311.011(c)(7) of the Act)

The Tax Increment Base is estimated to be $7,301,156 and shall be confirmed by the Appraisal District. Each year, the Appraisal District shall confirm the Captured Appraised Value of the Zone.

11.2 Estimated Captured Appraised Value During Each Year of Existence (Section 311.011(c)(8) of the Act)

The estimated Captured Appraised Value for the duration of the Zone is set forth in **Exhibit E**. It is estimated that upon expiration of the term of the Zone, the total Captured Appraised Value of taxable real property in the Zone will be approximately $937,591,533, as shown on **Exhibit E**. The actual Captured Appraised Value, as certified by the Appraisal District each year, will be used to calculate the annual payments by the City into the TIRZ Fund.

SECTION 12: METHOD OF FINANCING

12.1 Methods and Sources of Financing Project Costs and Percentage of Increment from Taxing Units Anticipated to Contribute Tax Increment to the Zone (Section 311.011(c)(6) of the Act)

Tax increment will consist of contributions from the City. The City will deposit into the TIRZ Fund each year the City Tax Increment, which is 100% of the City's ad valorem real property taxes collected and received by the City on the Captured Appraised Value in the Zone. For example, in tax year 2024, the City's ad valorem tax rate is $0.500728 per $100 of taxable value, so the City would contribute $0.500728 per $100 of the Captured Appraised Value in the Zone levied and collected to the TIRZ Fund.

The City Tax Increment deposited into the TIRZ Fund shall be prioritized and allocated on a parcel by parcel basis as follows:

1. For Administrative Costs; then
2. For the annual payments of debt service of any tax increment bonds issued to fund the Public Improvements; then
3. To be used in any other manner authorized by the City Council and as allowed pursuant to the Act, including for payments by the City to any third party for Project Costs under an agreement entered into pursuant to Section 311.010(b) of

the Act and, if and as applicable, Chapter 372, Texas Local Government Code, and Chapter 380, Texas Local Government Code; then

4. To the extent there are TIRZ Fund revenues remaining, any excess TIRZ Fund revenues may be utilized in any other manner as authorized by the City Council and allowed pursuant to the Act.

All payments of Project Costs shall be made solely from the TIRZ Fund and from no other funds of the City, unless otherwise approved by the City Council.

SECTION 13: DURATION OF THE ZONE, TERMINATION

13.1 Zone Duration (Section 311.011(c)(9) of the Act)

The stated term of the Zone shall commence upon the execution of the Designation Ordinance and shall continue until December 31, 2054, with the last payment being due by January 31, 2055, unless otherwise terminated in accordance with the Designation Ordinance. If upon expiration of the stated term of the Zone, the obligations of the Zone have not been fully funded by the TIRZ Fund, the City shall have no obligation to pay the shortfall and the term shall not be extended. Nothing in this Section is intended to prevent the City from extending the term of the Zone in accordance with the Act upon approval of the City Council.

LIST OF EXHIBITS

Unless otherwise stated, all references to "Exhibits" contained in this Final Plan shall mean and refer to the following exhibits, all of which are attached to and made a part of this Final Plan for all purposes.

EXHIBIT A – MAP OF THE ZONE

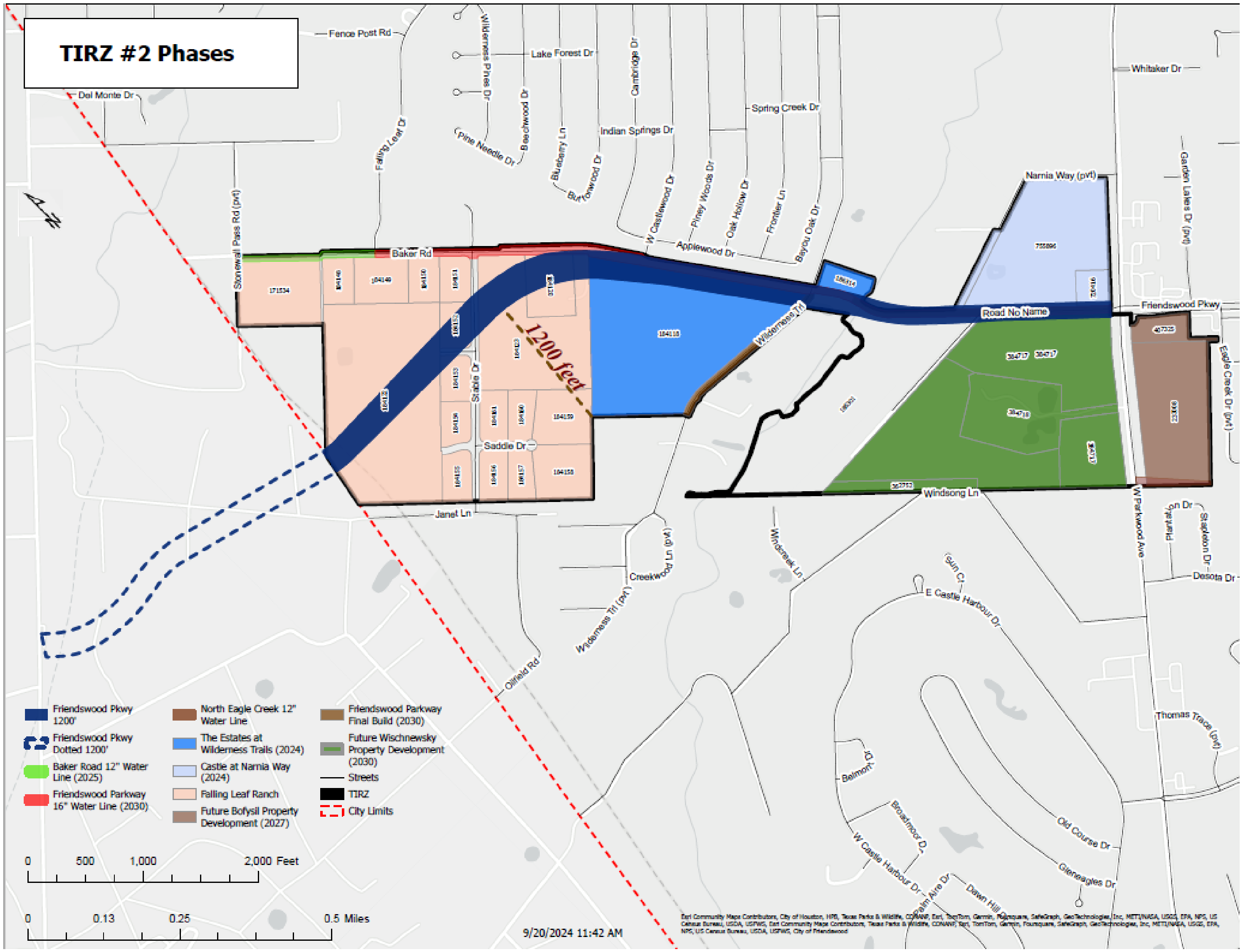


EXHIBIT B – NON-PROJECT COSTS

Lot Type	Units/ Sq. Ft.	Lot Value[a] Per Unit	Lot Value[a] Total	Buildout Value[a] Per Unit	Buildout Value[a] Total	Non-Project Costs
Future Wischnewsky Property						
Commercial	300,000	$ 28	$ 8,400,000	$ 618	$ 185,400,000	$ 177,000,000
Single Family	30	$ 450,000	$ 13,500,000	$ 2,000,000	$ 60,000,000	$ 46,500,000
Subtotal	300,030					$ 223,500,000
Future Bofysil Property						
Single Family	60	$ 70,000	$ 4,200,000	$ 400,000	$ 24,000,000	$ 19,800,000
Commercial	75,000	$ 28	$ 2,100,000	$ 618	$ 46,350,000	$ 44,250,000
Subtotal	75,060					$ 64,050,000
Falling Leaf Ranch						
Single Family	37	$ 450,000	$ 16,650,000	$ 2,000,000	$ 74,000,000	$ 57,350,000
Subtotal	37					$ 57,350,000
The Estates at Wildnerness Trails						
Single Family	41	$ 450,000	$ 18,450,000	$ 2,000,000	$ 82,000,000	$ 63,550,000
Subtotal	41					$ 63,550,000
Castle Biosciences						
Commercial	80,000	$ 28	$ 2,240,000	$ 618	$ 49,440,000	$ 47,200,000
Retail	30,000	$ 124	$ 3,710,379	$ 550	$ 16,500,000	$ 12,789,621
Office	80,000	$ 20	$ 1,600,000	$ 618	$ 49,440,000	$ 47,840,000
Subtotal	190,000					$ 107,829,621
Total	**565,168**					**$ 516,279,621**

Footnotes:

[a] Values and Units/Sq. Ft. as provided by the City and Developer on April 29, 2024 and May 3, 2024. May not be representative of this area or this development.

EXHIBIT C – PROJECT COSTS

Reinvestment Zone Number Two, City of Friendswood, Texas Project Costs		
Item		**Cost**
City Public Improvements[a]		
Baker Road 12" Water Line	$	2,744,712
Friendswood Parkway 16" Water Line	$	10,836,619
Friendswood Parkway	$	7,074,373
North Eagle Creek 12" Water Line	$	1,372,356
Site Mitigation Plan	$	75,000
Subtotal	**$**	**22,103,060**
The Estates at Wilderness Trails[a]		
Site Preparation	$	660,615
Friendswood Parkway	$	1,904,897
Clearing, Grubbing & Demolition	$	100,496
Earthwork, Paving & Grading	$	1,917,508
Water Distribution System	$	1,268,400
Storm Drainage	$	570,000
Detention	$	439,669
Sanitary Sewer System	$	2,736,810
Sanitary Lift Station	$	1,600,000
Striping & Signage	$	100,000
Street Lights	$	50,000
Contingency	$	2,252,241
Soft Costs	$	2,765,499
Subtotal	**$**	**16,366,135**
Falling Leaf Ranch[a]		
Site Preparation	$	777,194
Friendswood Parkway	$	3,081,466
Clearing, Grubbing & Demolition	$	150,744
Earthwork, Paving & Grading	$	2,739,298
Water Distribution System	$	2,265,000
Storm Drainage	$	883,500
Detention	$	681,488
Sanitary Sewer System	$	4,045,719
Striping & Signage	$	100,000
Street Lights	$	50,000
Contingency	$	2,943,724
Soft Costs	$	3,626,684
Subtotal	**$**	**21,344,817**
Future Bofysil Property[a]		
Site Preparation	$	738,334
Clearing, Grubbing & Demolition	$	50,248
Earthwork, Paving & Grading	$	913,099
Water Distribution System	$	453,000
Storm Drainage	$	313,500
Detention	$	241,818
Sanitary Sewer System	$	1,665,884
Contingency	$	881,458
Soft Costs	$	1,089,154
Subtotal	**$**	**6,346,495**

Reinvestment Zone Number Two, City of Friendswood, Texas
Project Costs

Item		Cost
Future Wischnewsky Property[a]		
Site Preparation	$	777,194
Friendswood Parkway	$	7,493,597
Clearing, Grubbing & Demolition	$	125,620
Earthwork, Paving & Grading	$	2,374,058
Water Distribution System	$	1,812,000
Storm Drainage	$	741,000
Detention	$	571,570
Sanitary Sewer System	$	3,450,760
Sanitary Lift Station	$	1,600,000
Striping & Signage	$	100,000
Street Lights	$	50,000
Contingency	$	3,804,862
Soft Costs	$	4,644,347
Subtotal	**$**	**27,545,008**
Castle Biosciences Projects[b]		
Clearing, Grubbing & Site Preparation	$	216,040
Land	$	1,702,216
Landscaping	$	44,804
Public Fire Loop	$	258,500
Public Storm Water Collection System	$	657,800
Detention Basin	$	627,520
Friendswood Parkway Road Extension	$	1,148,222
Financing Costs	$	609,501
Soft Costs	$	762,694
Subtotal	**$**	**6,027,298**
Subtotal Public Improvements[a]	**$**	**99,732,813**
Administrative Costs	**$**	**4,711,815**
Total Project Costs	**$**	**104,444,628**

Footnotes:

[a] As identified by the City, based on the City Engineer's Opinion of Probable Cost in May 2024.
[b] As provided by the Developer on August 8, 2024.

EXHIBIT D – ESTIMATED TIMELINE OF INCURRED COSTS

Reinvestment Zone Number Two, City of Friendswood, Texas
Timeline to Incur Project Costs

Zone Year	Calendar Year	City Project Costs		The Estates at Wilderness Trail		Falling Leaf Ranch		Future Bofysil Property		Future Wischnewsky Property		Castle Bioscience at Narnia Way		Total Project Costs[a]	
		Annual	Cumulative	Annual	Cumulative	Annual	Cumulative	Annual	Cumulative	Annual	Cumulative	Annual	Cumulative	Annual	Cumulative
Base	2024	$ -	$ -	$ 16,366,135	$ 16,366,135	$ -	$ -	$ -	$ -	$ -	$ -	$ 3,966,271	$ 3,966,271	$ 20,332,406	$ 20,332,406
1	2025	$ 2,819,712	$ 2,819,712	$ -	$ 16,366,135	$ 21,344,817	$ 21,344,817	$ -	$ -	$ -	$ -	$ 485,294	$ 4,451,565	$ 24,649,823	44,982,229
2	2026	$ -	$ 2,819,712	$ -	$ 16,366,135	$ -	$ 21,344,817	$ -	$ -	$ -	$ -	$ 966,232	$ 5,417,797	$ 966,232	45,948,461
3	2027	$ -	$ 2,819,712	$ -	$ 16,366,135	$ -	$ 21,344,817	$ 6,346,495	$ 6,346,495	$ -	$ -	$ 216,712	$ 5,634,509	$ 6,563,207	52,511,668
4	2028	$ -	$ 2,819,712	$ -	$ 16,366,135	$ -	$ 21,344,817	$ -	$ 6,346,495	$ -	$ -	$ 159,699	$ 5,794,208	$ 159,699	52,671,367
5	2029	$ -	$ 2,819,712	$ -	$ 16,366,135	$ -	$ 21,344,817	$ -	$ 6,346,495	$ -	$ -	$ 131,088	$ 5,925,296	$ 131,088	52,802,455
6	2030	$ 19,283,348	$ 22,103,060	$ -	$ 16,366,135	$ -	$ 21,344,817	$ -	$ 6,346,495	$ 27,545,008	$ 27,545,008	$ 102,002	$ 6,027,298	$ 46,930,358	99,732,813
Total		**$ 22,103,060**		**$ 16,366,135**		**$ 21,344,817**		**$ 6,346,495**		**$ 27,545,008**		**$ 6,027,298**		**$ 99,732,813**	

Footnotes:

[a] Does not illustrate Administrative Costs, which shall be incurred annually for the duration of the Zone.

EXHIBIT E – FEASIBILITY STUDY

As set forth in the revenue schedule below, during the term of the Zone, City TIRZ Increment will be generated in amounts sufficient to fund the Project Costs set forth in Exhibit C as and when such Project Costs are incurred.

Reinvestment Zone Number Two, City of Friendswood, Texas
Feasibility Study

Zone Year	Tax Year	Growth/ Year[a]	Added Development Value[b]	New Taxable Value	Incremental Value	City Gross New Revenue		TIRZ Fund Contribution			City Retained New Revenue	
						Annual	Cumulative	%	Annual	Cumulative	Annual	Cumulative
Base	2024			$ 7,303,156								
1	2025	2.0%	$ 82,000,000	$ 89,449,219	$ 82,146,063	$ -	$ -	100%	$ -	$ -	$ -	$ -
2	2026	2.0%	$ 326,234,862	$ 417,473,066	$ 410,169,910	$ 411,328	$ 411,328	100%	$ 411,328	$ 411,328	$ -	$ -
3	2027	2.0%	$ 144,555,153	$ 570,377,680	$ 563,074,524	$ 2,053,836	$ 2,465,164	100%	$ 2,053,836	$ 2,465,164	$ -	$ -
4	2028	2.0%	$ 49,186,991	$ 630,972,224	$ 623,669,068	$ 2,819,472	$ 5,284,636	100%	$ 2,819,472	$ 5,284,636	$ -	$ -
5	2029	2.0%	$ -	$ 643,591,668	$ 636,288,512	$ 3,122,886	$ 8,407,521	100%	$ 3,122,886	$ 8,407,521	$ -	$ -
6	2030	2.0%	$ -	$ 656,463,502	$ 649,160,346	$ 3,186,075	$ 11,593,596	100%	$ 3,186,075	$ 11,593,596	$ -	$ -
7	2031	2.0%	$ -	$ 669,592,772	$ 662,289,616	$ 3,250,528	$ 14,844,124	100%	$ 3,250,528	$ 14,844,124	$ -	$ -
8	2032	2.0%	$ -	$ 682,984,627	$ 675,681,471	$ 3,316,270	$ 18,160,393	100%	$ 3,316,270	$ 18,160,393	$ -	$ -
9	2033	0.0%	$ -	$ 682,984,627	$ 675,681,471	$ 3,383,326	$ 21,543,720	100%	$ 3,383,326	$ 21,543,720	$ -	$ -
10	2034	0.0%	$ -	$ 682,984,627	$ 675,681,471	$ 3,383,326	$ 24,927,046	100%	$ 3,383,326	$ 24,927,046	$ -	$ -
11	2035	2.0%	$ -	$ 696,644,320	$ 689,341,164	$ 3,383,326	$ 28,310,372	100%	$ 3,383,326	$ 28,310,372	$ -	$ -
12	2036	2.0%	$ -	$ 710,577,206	$ 703,274,050	$ 3,451,724	$ 31,762,096	100%	$ 3,451,724	$ 31,762,096	$ -	$ -
13	2037	2.0%	$ -	$ 724,788,750	$ 717,485,594	$ 3,521,490	$ 35,283,587	100%	$ 3,521,490	$ 35,283,587	$ -	$ -
14	2038	2.0%	$ -	$ 739,284,525	$ 731,981,369	$ 3,592,651	$ 38,876,238	100%	$ 3,592,651	$ 38,876,238	$ -	$ -
15	2039	2.0%	$ -	$ 754,070,216	$ 746,767,060	$ 3,665,236	$ 42,541,473	100%	$ 3,665,236	$ 42,541,473	$ -	$ -
16	2040	2.0%	$ -	$ 769,151,620	$ 761,848,464	$ 3,739,272	$ 46,280,745	100%	$ 3,739,272	$ 46,280,745	$ -	$ -
17	2041	2.0%	$ -	$ 784,534,653	$ 777,231,497	$ 3,814,789	$ 50,095,534	100%	$ 3,814,789	$ 50,095,534	$ -	$ -
18	2042	2.0%	$ -	$ 800,225,346	$ 792,922,190	$ 3,891,816	$ 53,987,350	100%	$ 3,891,816	$ 53,987,350	$ -	$ -
19	2043	0.0%	$ -	$ 800,225,346	$ 792,922,190	$ 3,970,383	$ 57,957,733	100%	$ 3,970,383	$ 57,957,733	$ -	$ -
20	2044	0.0%	$ -	$ 800,225,346	$ 792,922,190	$ 3,970,383	$ 61,928,116	100%	$ 3,970,383	$ 61,928,116	$ -	$ -
21	2045	2.0%	$ -	$ 816,229,853	$ 808,926,697	$ 3,970,383	$ 65,898,500	100%	$ 3,970,383	$ 65,898,500	$ -	$ -
22	2046	2.0%	$ -	$ 832,554,450	$ 825,251,294	$ 4,050,522	$ 69,949,022	100%	$ 4,050,522	$ 69,949,022	$ -	$ -
23	2047	2.0%	$ -	$ 849,205,539	$ 841,902,383	$ 4,132,264	$ 74,081,287	100%	$ 4,132,264	$ 74,081,287	$ -	$ -
24	2048	2.0%	$ -	$ 866,189,649	$ 858,886,493	$ 4,215,641	$ 78,296,928	100%	$ 4,215,641	$ 78,296,928	$ -	$ -
25	2049	2.0%	$ -	$ 883,513,442	$ 876,210,286	$ 4,300,685	$ 82,597,613	100%	$ 4,300,685	$ 82,597,613	$ -	$ -
26	2050	2.0%	$ -	$ 901,183,711	$ 893,880,555	$ 4,387,430	$ 86,985,043	100%	$ 4,387,430	$ 86,985,043	$ -	$ -
27	2051	2.0%	$ -	$ 919,207,385	$ 911,904,229	$ 4,475,910	$ 91,460,953	100%	$ 4,475,910	$ 91,460,953	$ -	$ -
28	2052	2.0%	$ -	$ 937,591,533	$ 930,288,377	$ 4,566,160	$ 96,027,113	100%	$ 4,566,160	$ 96,027,113	$ -	$ -
29	2053	0.0%	$ -	$ 937,591,533	$ 930,288,377	$ 4,658,214	$100,685,327	100%	$ 4,658,214	$ 100,685,327	$ -	$ -
30	2054	0.0%	$ -	$ 937,591,533	$ 930,288,377	$ 4,658,214	$105,343,542	100%	$ 4,658,214	$ 105,343,542	$ -	$ -
Total			$ 601,977,006			$105,343,542			105,343,542		-	

Assumptions	
Base Taxable Value[c]	7,303,156.00
City AV Rate	0.5007

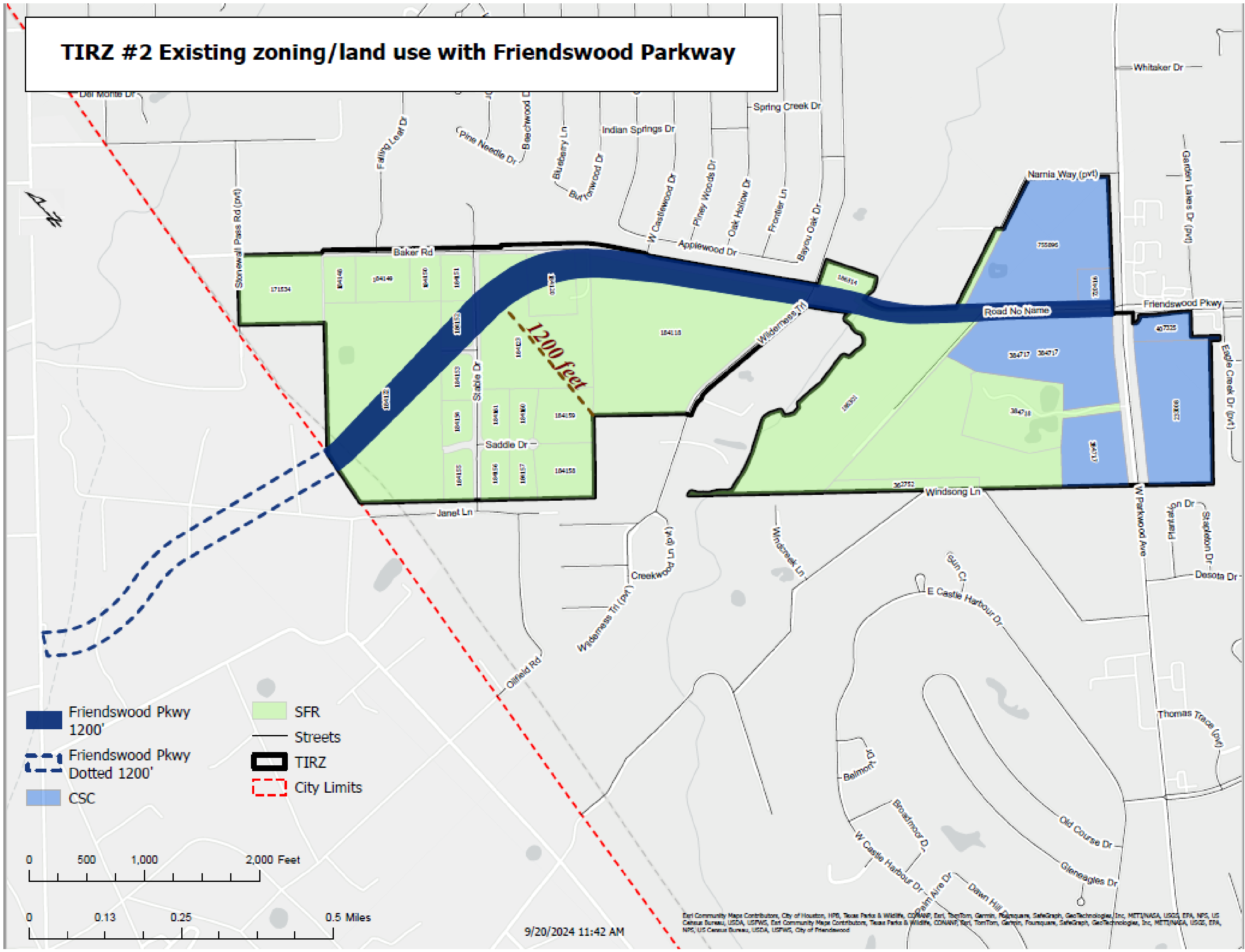
Footnotes

[a] Values increased at 2% annually, with two years of no growth each decade to simulate an economic downturn.

[b] Based on project development data as provided by the City and Developers on May 13, 2024 and August 14, 2024.

[c] As provided by the Appraisal District.

EXHIBIT F – PROPOSED AND EXISTING USES OF THE PROPERTY



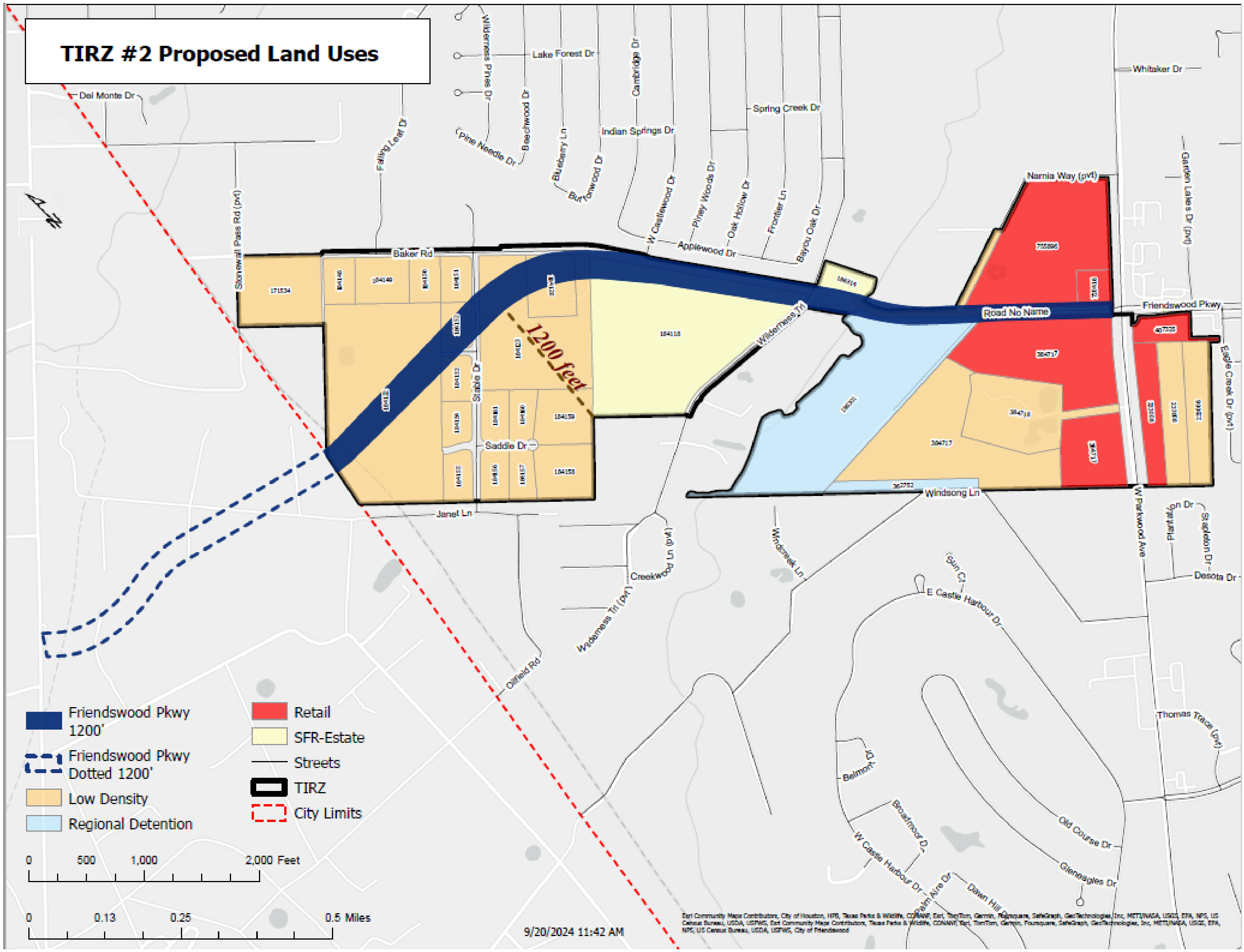

TIRZ #2 Proposed Land Uses
Friendswood Pkwy 1200'
Friendswood Pkwy Dotted 1200'
Low Density
Regional Detention
Retail
SFR-Estate
Streets
TIRZ
City Limits
0 500 1,000 2,000 Feet
0 0.13 0.25 0.5 Miles
9/20/2024 11:42 AM
1200 feet
Baker Rd
Friendswood Pkwy
Road No Name
Windsong Ln
Janet Ln
Saddle Dr
Stonewall Pass Rd (pvt)
Wilderness Trl
Applewood Dr
Narnia Way (pvt)
Whitaker Dr
Del Monte Dr
Lake Forest Dr
Spring Creek Dr
Indian Springs Dr
Oilfield Rd
W Parkwood Ave

EXHIBIT G – MAP OF THE PUBLIC IMPROVEMENTS

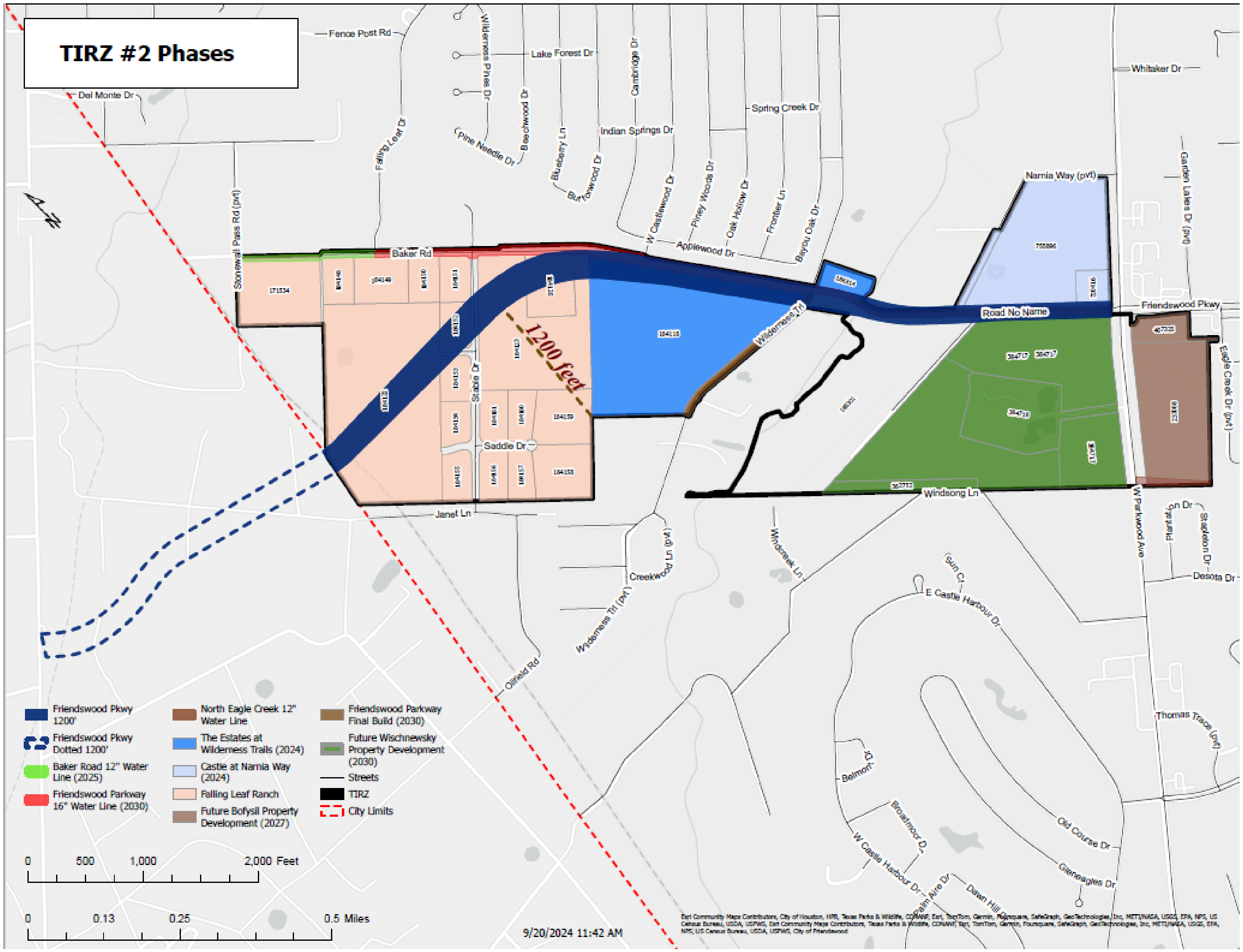


EXHIBIT H – PARCEL IDENTIFICATION

Property ID	Taxable Value	Acreage
384718	$ 1,531,000	12.26
362752	$ -	3.000
384717	$ 3,920	49.02
186301	$ -	33.02
186314	$ -	2.13
184158	$ 66,090	5.51
184157	$ 27,680	2.31
184156	$ 30,730	2.56
184159	$ 66,210	5.52
184155	$ 30,910	2.58
184160	$ 27,860	2.32
184161	$ 30,190	2.52
184154	$ 27,910	2.33
184118	$ 2,951,940	38.44
184153	$ 29,800	2.48
184120	$ 36,470	5.21
184152	$ 29,800	2.48
184123	$ 133,120	21.13
184151	$ 29,800	2.48
184150	$ 29,950	2.5
184122	$ 165,980	40.07
184149	$ 51,760	4.32
184148	$ 30,010	2.5
171534	$ 114,000	9.5
720416	$ 668,976	2.13
186284	$ 593,350	14.47
233008	$ 1,260	15.75
755896	$ 1,860	23.23
407325	$ 592,580	2.77

FRIENDSWOOD CITY COUNCIL
AGENDA ITEM FORM

This form should be completed and forwarded to the City Manager's Office as soon as possible prior to the first date that the item is expected to be placed on the Friendswood City Council agenda.

Date requested for City Council consideration: September 23, 2024

Date submitted: 09/18/2024

Prepared by: Karen Horner, City Attorney

Subject: Consider approving the Development Agreement by and between Castle Biosciences, Inc., the City of Friendswood, and Reinvestment Zone Number Two, City of Friendswood.

Originating Department: City Attorney

Degree of importance: This item allows the Board of Directors of Reinvestment Zone Number Two, City of Friendswood (the "Zone") to approve the Development Agreement by and between (i) Castle Biosciences, Inc. (the "Developer"), (ii) the City of Friendswood (the "City"), and (ii) the Zone for the development and financing of certain public improvements associated with the proposed mixed-use commercial development within the Zone (the "Project").

Under the proposed Agreement, Developer will:

1. design and construct a mixed-use commercial development consisting of approximately 80,000 square feet of commercial space, approximately 30,000 square feet of retail space, and approximately 80,000 square feet of office space;
2. construct certain public improvements, including a water distribution system, storm drainage, detention and roadway; and
3. maintain the public improvements until the same are accepted by the City as being in compliance with the approved plans and specifications;
4. not protest GCAD assessed tax values;
5. convey all necessary easements pertaining to the public improvements; and
6. pay all permit and impact fees applicable to the Project.

Under the proposed Agreement, the City will use tax increment funds generated by the private development constructed on the development site to reimburse the Developer for public improvement costs advanced by the Developer on behalf of the City.

SUMMARY / ORIGINATING CAUSE

This item allows the Board of Directors of Reinvestment Zone Number Two, City of Friendswood (the "Zone") to approve the Development Agreement by and between (i) Castle Biosciences, Inc. (the "Developer"), (ii) the City of Friendswood (the "City"), and (ii) the Zone for the development and financing of certain public improvements associated with the proposed mixed-use commercial development within the Zone (the "Project").

Under the proposed Agreement, Developer will:

1. design and construct a mixed-use commercial development consisting of approximately 80,000 square feet of commercial space, approximately 30,000 square feet of retail space, and approximately 80,000 square feet of office space;
2. construct certain public improvements, including a water distribution system, storm drainage, detention and roadway; and
3. maintain the public improvements until the same are accepted by the City as being in compliance with the approved plans and specifications;
4. not protest GCAD assessed tax values;
5. convey all necessary easements pertaining to the public improvements; and
6. pay all permit and impact fees applicable to the Project.

Under the proposed Agreement, the City will use tax increment funds generated by the private development constructed on the development site to reimburse the Developer for public improvement costs advanced by the Developer on behalf of the City.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

Staff recommends approval.

ATTACHMENTS

1. Castle Biosciences Development Agreement TIRZ #2

DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT (the "Agreement") by and between the **CITY OF FRIENDSWOOD, TEXAS** (the "City"), a municipal corporation and home-rule city of the State of Texas, acting by and through its governing body, the City Council (the "City Council"); **REINVESTMENT ZONE NUMBER TWO, CITY OF FRIENDSWOOD** (the "Zone"), a tax increment reinvestment zone created by the City pursuant to Chapter 311 of the Texas Tax Code, as amended (the "Act"), acting by and through its governing board of directors (the "Zone Board"), and **CASTLE BIOSCIENCES, INC.** (the "Developer"), a Missouri corporation (each a "Party," and together, "the Parties"), is effective as of the date of signature of the City (the "Effective Date").

RECITALS

WHEREAS, pursuant to the Act, by Ordinance No. 2024-17, passed, approved and adopted by the City Council on June 3, 2024, the City Council created the Zone and approved the preliminary reinvestment zone financing plan for the Zone; and

WHEREAS, on September 23, 2024, the Zone Board adopted a project plan and reinvestment zone financing plan for the Zone (the "Plan") that provides that the Zone will undertake to develop certain public works and improvements in the Zone, and by Ordinance No. 2024-30, passed, approved and adopted by City Council on September 23, 2024, the Plan was approved by the City Council; and

WHEREAS, the Act provides that the Zone and the City may enter into agreements as the Zone Board and the City Council consider necessary or convenient to implement the Plan and achieve its purposes; and

WHEREAS, the Developer is the owner of that certain 23.231-acre tract of land within the Zone depicted in **Exhibit A** attached hereto and incorporated herein (the "Property"), on which Developer intends to design, develop, construct, maintain, manage, use and operate in a first phase a mixed-use commercial development consisting of approximately 80,000 square feet of commercial space, followed by a second phase that is anticipated to include approximately 30,000 square feet of retail space and approximately 80,000 square feet of office space, depending on market demands (the "Project"); and

WHEREAS, in connection with the development of the first phase of the Project, the Developer intends to construct certain public works and improvements, including, but not limited to, the extension of Friendswood Parkway from FM 528 to Narnia Way (the "Road Improvements"), a detention pond, and an 8" water line, as further described in **Exhibit B** and depicted in **Exhibit B-1** attached hereto and incorporated herein (collectively, the "Public Improvements"); and

WHEREAS, the City and the Zone have determined that they can best carry out their functions pursuant to the Plan by contracting with the Developer to provide for the efficient and effective implementation of certain aspects of the Plan, and the City and the Developer desire to enter into this Agreement to enable the development and financing of the Public Improvements in connection with the Developer's development of the Project within the Zone, and the reimbursement of the Developer from Available Tax Increment (as hereinafter defined) as provided herein;

NOW, THEREFORE, for and in consideration of the promises and the mutual agreements set forth herein, the Parties hereby agree as follows:

ARTICLE I
GENERAL TERMS

A. Incorporation of Recitals. The recitals to this Agreement are hereby incorporated for all purposes.

B. Definitions and Terms. The terms "Act," "Agreement," "Developer," "City," "City Council," "Effective Date," "Party," "Parties," "Plan," "Project," "Property," "Public Improvements," "Road Improvements," "Zone," and "Zone Board" shall have the meanings given to such terms in the Recitals, and the following terms have the following meanings:

"Administrative Costs" shall mean all costs incurred by the City for the administration of the Zone, including legal, bookkeeping, auditing, and other professional and/or consulting service costs.

"Applicable Law" means any statute, law, treaty, rule, code, ordinance, regulation, permit, interpretation, certificate or order of any Governmental Authority, or any judgment, decision, decree, injunction, writ, order or like action of any court, or other Governmental Authority. Applicable Laws shall include, but not be limited to, City Regulations.

"Available Tax Increment" shall mean the Tax Increment attributable to the Property deposited into the Tax Increment Fund other than those funds required to be used to pay Administrative Costs.

"Base Year Value" shall mean the taxable value of the Property on January 1, 2024, as established and certified by the Galveston Central Appraisal District.

"City Regulations" shall mean provisions of the City's Code of Ordinances, ordinances not codified, design standards, uniform and international building and construction codes, and other policies duly adopted by the City, which shall be applied to the Project and the Public Improvements.

"Commence Construction" or "Commencement of Construction" shall mean, with respect to the Public Improvements, that (i) preliminary plans and specifications have been prepared and all approvals thereof required by applicable Governmental Authorities have been obtained for construction of the detention pond and the 8" water line pursuant to the Plans and Specifications therefor; (ii) all necessary permits for the initiation of construction of the detention pond and the 8" water line pursuant to the Plans and Specifications therefor have been issued by all applicable Governmental Authorities; and (iii) the grading of the property on which the applicable Public Improvements will be constructed has commenced.

"Commencement Deadline" shall have the meaning set forth in Article IV.A. of this Agreement.

"Complete Construction" or "Completion of Construction" shall mean, with respect to the Public Improvements, that the Director has determined that the Developer has completed construction thereof in accordance with City Regulations and the Plans and Specifications so that the Public Improvements can be used and maintained for their intended purposes, and the City has accepted the Public Improvements and confirmed that Final Completion has been reached with respect to the Public Improvements.

"Completion Deadline" shall have the meaning set forth in Article IV.A. of this Agreement.

"Developer Advances" shall mean any funds advanced by the Developer for Public Improvement Costs pursuant to this Agreement, including any funds advanced prior to the Effective Date, but excluding Developer Interest.

"Developer Interest" shall mean the interest accrued on an amount not to exceed the lesser of (i) the actual Public Improvements Costs paid by the Developer or (ii) $5,417,796.68, during the period beginning from the Effective Date at a per annum rate equal to the lesser of (x) 4.0% or (y) the rate of interest imposed by Developer's lender and ending as of the date determined by the provisions of Article V.D of this Agreement.

"Director" shall mean the director of the City's Engineering Department, or his or her designee.

“Final Completion” shall mean the point in the construction of the Public Improvements when the City determines that the Public Improvements are 100% completed, including punch list work.

“Form 1295” shall have the meaning set forth in Article IX.J.1 of this Agreement.

“Governmental Authority” shall mean any Federal, state or local governmental entity (including any taxing authority) or agency, court, tribunal, regulatory commission or other body, whether legislative, judicial or executive (or a combination or permutation thereof).

“Maximum Reimbursement Amount” shall mean an amount that is equal to the lesser of (i) the actual Public Improvements Costs and, if applicable, the Developer Interest thereon; or (ii) $5,417,796.68, and, if applicable, Developer Interest thereon.

“Plans and Specifications” shall mean the designs, plans and specifications for the Public Improvements prepared by a consultant acceptable to the City and Developer at the direction of Developer and approved by the Director in accordance with Article II.B of this Agreement.

“Public Improvements Costs” shall mean all eligible “project costs” (as that term is defined in Section 311.002 of the Act) relating to the actual costs of acquisition, design, development, and construction of the Public Improvements paid by or on behalf of the Developer, whether before or after the Effective Date, including (i) the acquisition cost of any land that is part of the Public Improvements; (ii) all costs of design, engineering, materials, labor, construction, testing and inspection and other services arising in connection with the design and construction of the Public Improvements; (iii) all payments arising under any contracts entered into for the design or construction of the Public Improvements; and (iv) all costs incurred in connection with obtaining governmental approvals, certificates and permits required in connection with the construction of the Public Improvements, including the legal, engineering, environmental, and other consultant fees and expenses related to the design and construction of the Public Improvements.

“Tax Increment” shall mean one hundred percent (100%) of the City’s ad valorem taxes levied and collected by the City above the Base Year Value on the captured appraised value of the Property and deposited into the Tax Increment Fund.

“Tax Increment Fund” shall mean the special fund established and funded by the City with payments made by the City that are attributable to Tax Increment.

"Term" shall mean the term of this Agreement, which shall commence on the Effective Date and, unless earlier terminated as provided herein, shall continue until the earlier of (i) the date that the TIRZ Contribution has been paid in full, or (ii) December 31, 2054.

"TIRZ Contribution" shall mean the payment by the City and the Zone to the Developer for reimbursement of Developer Advances (and, if applicable, Developer Interest) in consideration for the development and construction of the Public Improvements, which shall not exceed the lesser of (i) the Available Tax Increment through December 31, 2054, or (ii) the Maximum Reimbursement Amount, subject to the terms and conditions of this Agreement.

C. Singular and Plural. Words used herein in the singular, where the context so permits, also include the plural and vice versa. The definitions of words in the singular herein also apply to such words when used in the plural where the context so permits and vice versa.

ARTICLE II
THE PUBLIC IMPROVEMENTS

A. The Public Improvements. The Developer shall be responsible for the design and construction of the Public Improvements.

B. Standards and Approvals. The Developer agrees that the preliminary plans and specifications for the Public Improvements shall be subject to the review and approval of all Governmental Authorities with jurisdiction, including, without limitation, the City, and, with respect to the Road Improvements, the Texas Department of Transportation. The Developer agrees to comply with all applicable legal requirements from such jurisdictions. Construction of the Public Improvements will be in accordance with the approved Plans and Specifications, and with the City's applicable standards and specifications, and, during the progress of the construction and installation of the Public Improvements, the City may conduct periodic, on-the-ground inspections.

C. Construction and Implementation of the Public Improvements. Developer shall be responsible for the inspection and supervision of the construction and implementation of the Public Improvements in accordance with all applicable City Regulations and procedures. The Developer shall provide to the City copies of all change orders and pay estimates. Upon Completion of Construction of the Public Improvements, the Developer shall provide the City with a final cost summary of all costs associated with the contract(s) for construction of the Public Improvements, a certificate of Completion of Construction of the Public Improvements and evidence that all amounts owing to contractors and subcontractors have been paid in full evidenced by customary affidavits executed by such contractors.

D. Maintenance of the Public Improvements. Until such time as the Public Improvements are dedicated or conveyed to and accepted by the City, Developer shall maintain or cause to be maintained the Public Improvements, including, but not limited to, maintenance of the landscaping including any existing trees; the payment of charges for water for irrigation purposes, if any; and maintaining the associated irrigation and electrical systems. Upon the City's acceptance of the Public Improvements, the Developer shall provide a maintenance bond in the amount of one hundred percent (100%) of the total cost of the Public Improvements in a form approved by the City to guarantee the Public Improvements against all defects in workmanship and materials which may become apparent during the one (1)-year period from the date of the City's acceptance of the Public Improvements.

E. Tax Protests. During the Term, Developer shall not protest Galveston Central Appraisal District ("GCAD")'s assessed taxable value of the Project or the Property, provided that Developer may submit information to GCAD to correct any factual errors made by GCAD in determining the assessed taxable value of the Property or the Project, including, but not limited to, the use of the Property (if and to the extent that GCAD has not classified the use of the Property consistent with the Project described herein), the square footage of the Property, the square footage of the improvements located thereon, or the year in which construction of such improvements was completed. If Developer does not comply with this Section, the City, at its sole discretion, may suspend performance hereunder and begin procedures to terminate this Agreement for default, subject to the notice provisions contained in Article VIII.C., and the Developer shall repay to the City all portions of the TIRZ Contribution paid to the Developer hereunder.

F. Conveyance of Temporary Construction and Access Easements. Developer shall grant the City, at no cost, all required temporary construction and access easements necessary to maintain the Public Improvements. The City shall grant Developer, at no cost, all required temporary construction and access easements necessary to install and maintain the Public Improvements. The provisions of this Section shall survive the expiration or termination of the Agreement.

G. Payment of Fees. Developer agrees to pay all applicable monthly rates and charges for water and sewer services and shall pay all applicable City fees, including, but not limited to, impact fees and building permit fees, for the Project and the Public Improvements, it being understood that such fees shall be consistent with the charges and fees being charged to other similar developments in the City.

ARTICLE III
REPRESENTATIONS

A. Representations of the City. The City hereby represents that as the date hereof:

The City is a duly created and existing municipal corporation and home rule municipality of the State of Texas under the laws of the State of Texas and is duly qualified and authorized to carry on the governmental functions and operations as contemplated by this Agreement.

The City has the power, authority and legal right under the laws of the State of Texas and the City Charter to enter into and perform this Agreement and the execution, delivery and performance hereof (i) will not, to the best of its knowledge, violate any applicable judgment, order, law or regulation, and (ii) do not constitute a default under, or result in the creation of, any lien, charge, encumbrance or security interest upon any assets of the City under any agreement or instrument to which the City is a party or by which the City or its assets may be bound or affected.

This Agreement has been duly authorized, executed and delivered by the City and constitutes a legal, valid and binding obligation of the City, enforceable in accordance with its terms except to the extent that (i) the enforceability of such instruments may be limited by bankruptcy, reorganization, insolvency, moratorium or other similar laws of general application in effect from time to time relating to or affecting the enforcement of creditors' rights and (ii) certain equitable remedies may be unavailable.

The execution, delivery and performance of this Agreement by the City do not require the consent or approval of any person which has not been obtained.

B. Representations of the Zone. The Zone Board hereby represents that:

The Zone is duly authorized, created and existing under the laws of the State and is duly qualified and authorized to carry on the governmental functions and operations as contemplated by this Agreement.

The Zone Board has the power, authority and legal right to enter into and perform this Agreement and the execution, delivery and performance hereof (i) have been duly authorized, (ii) will not, to the best of its knowledge, violate any applicable judgment, order, law or regulation, and (iii) does not constitute a default under, or result in the creation of, any lien, charge, encumbrance or security interest upon any assets of the Zone under any agreement or instrument to which the Zone is a party or by which the Zone or its assets may be bound or affected.

This Agreement has been duly authorized, executed and delivered by the Zone Board and constitutes a legal, valid and binding obligation of the Zone, enforceable in accordance with its terms except to the extent that (i) the enforceability of such instruments may be limited by bankruptcy, reorganization, insolvency, moratorium or other similar laws of general application in effect from time to time relating to or affecting the enforcement of creditors' rights and (ii) certain equitable remedies may be unavailable.

The execution, delivery and performance of this Agreement by the Zone Board does not require the consent or approval of any person which has not been obtained.

C. Representations of the Developer. The Developer hereby represents that:

The Developer has the power, authority and legal right under the laws of the State of Texas to enter into and perform this Agreement and the execution, delivery and performance hereof (i) will not, to the best of its knowledge, violate any applicable judgment, order, law or regulation, and (ii) do not constitute a default under, or result in the creation of, any lien, charge, encumbrance or security interest upon any assets of the Developer under any agreement or instrument to which the Developer is a party or by which the Developer or its assets may be bound or affected.

This Agreement has been duly authorized, executed and delivered and constitutes a legal, valid and binding obligation of the Developer, enforceable in accordance with its terms except to the extent that (i) the enforceability of such instruments may be limited by bankruptcy, reorganization, insolvency, moratorium or other similar laws of general application in effect from time to time relating to or affecting the enforcement of creditors' rights and (ii) certain equitable remedies may be unavailable.

The execution, delivery and performance of this Agreement by the Developer do not require the consent or approval of any person which has not been obtained.

ARTICLE IV
DEVELOPER OBLIGATIONS

In consideration of the City and the Zone agreeing to pay the Developer the TIRZ Contribution in accordance with the terms, provisions and conditions of this Agreement, the Developer agrees to fulfill the following conditions in order to receive the TIRZ Contribution:

A. Commencement of Construction; Completion of Construction. Developer shall Commence Construction of the Public Improvements on or before the date that is sixty (60) days from the Effective Date (the "Commencement Deadline"). Developer shall Complete Construction of the Public Improvements on or before the date that is the later of (i) thirty-six (36) months from the date on which Developer Commences Construction of the Public Improvements or (ii) eighteen (18) months from the date on which Developer obtains approval of the preliminary plans and specifications for the Road Improvements from the Texas Department of Transportation (the "Completion Deadline"). Notwithstanding any other provision of this Agreement, the City and the Zone, in their sole and absolute discretion, shall have the right, upon thirty (30) days' prior written notice to Developer, to terminate this Agreement if: (a) Developer does not Commence Construction of the Public Improvements on or before the Commencement Deadline; or (b) Developer does not Complete Construction of the Public Improvements on or before the Completion Deadline. Upon the termination of this Agreement by the City and/or the Zone pursuant to this Section, all rights and obligations of the Parties shall terminate and be of no further force or effect, except for any provisions of this Agreement that specifically survive termination of this Agreement.

B. Public Improvements Funding. The Developer will secure the funds necessary to design and construct the Public Improvements prior to contracting for the design or construction of the Public Improvements.

C. Ownership, Operation, and Maintenance of Public Improvements. As the acquisition and construction of the Public Improvements is completed and the Public Improvements become operational, the Director shall inspect the same and, if the Director finds that the same has been completed in accordance with the Plans and Specifications, or any modifications thereof, and in accordance with all Applicable Laws, the City will accept the same in writing to establish Completion of Construction of the Public Improvements, whereupon the Developer shall convey such Public Improvements to the City. Thereafter, such Public Improvements will belong to and be the absolute property of the City and will be operated and maintained by the City at its sole expense, subject to Section D. below.

D. Acquisition and Dedication of Property. If it is necessary to acquire property for completion of the Public Improvements, Developer shall acquire all such necessary property; provided, however, that, in the event that Developer is unable to acquire all necessary right-of-way to construct the Road Improvements, the City shall exercise reasonable efforts to acquire such right-of-way through any means lawfully available to the City, subject to separate approval by City Council. All property owned or acquired by the Developer for Public Improvements pursuant to this Section shall conveyed to the City within thirty (30) days following acceptance of the Public Improvements as described in Section C. above and shall be considered part of the Public Improvements Costs.

E. Maintenance of Records. The Developer shall be responsible for maintaining records of all costs incurred and payments made for the Public Improvements and records evidencing compliance with all of the Developer commitments required by this Article and shall make such records available to the City for examination at a location within the corporate limits of the City at the City's reasonable request and at no cost to the City. The City shall have the right to review and audit such records upon five (5) business days' prior written notice to the Developer.

F. Additional Projects and Public Improvements. This Agreement does not apply to any projects except the Project specifically defined herein and does not apply to any Public Improvements except the Public Improvements specifically defined herein unless this Agreement is amended to provide for the design and construction of additional projects and public improvements.

ARTICLE V
REIMBURSEMENT OF DEVELOPER ADVANCES; DEVELOPER INTEREST PAYMENTS

A. In consideration of the development and construction of the Public Improvements, subject to Developer's compliance with the terms and conditions of this Agreement, the City, on behalf of the Zone, shall pay the TIRZ Contribution to the Developer solely from Available Tax Increment.

B. Provided that Developer has Commenced Construction of the Public Improvements on or before the Commencement Deadline and Completed Construction of the Public Improvements on or before the Completion Deadline, Developer may submit a request for payment of the TIRZ Contribution with respect to the Public Improvements upon Completion of the Public Improvements. With each request for payment of the Public Improvements Costs, Developer shall deliver to the City the following items:

(i) a written request for payment;

(ii) a summary of all Public Improvements Costs incurred to-date;

(iii) a summary of all Developer Advances as of the date of the request for payment;

(iv) evidence that all contractors, subcontractors, laborers, materialmen, architects, engineers and all other parties who have performed work on or furnished materials to-date have been paid in full, together with executed and delivered releases of lien or customary affidavits executed by such contractors;

(v) a sworn affidavit executed by an officer authorized to bind the Developer certifying that all contractors, subcontractors, laborers, materialmen, architects, engineers and all other parties who have performed work on or furnished materials to-date have been paid in full; and

(vi) a sworn affidavit executed by an officer authorized to bind the Developer certifying that the Public Improvements Costs for which the Developer is seeking reimbursement from the TIRZ Contribution have not been paid from, and will not be reimbursed from, any public funding sources other than Available Tax Increment.

C. The City, on behalf of the Zone shall make annual payments to the Developer in the amount equal to the Available Tax Increment to reimburse outstanding Developer Advances on March 1 of each year. Payments for the Public Improvements shall begin no earlier than on March 1 of the year after which Completion of Construction of the Public Improvements has occurred. Payments shall continue until the TIRZ Contribution is fully paid.

D. If Developer has met the requirements set forth in Section B. above to begin receiving annual payments of the TIRZ Contribution, and has satisfied the criteria for payment of the first tranche of Developer Interest payments (and, if applicable, the second tranche of Developer Interest payments) set forth in this Section, Developer may submit a request for payment of the TIRZ Contribution for Developer Interest. With each request for payment of Developer Interest, Developer shall deliver to the City a written request for payment and a sworn affidavit that includes the calculation of Developer Interest and the amount due, along with documentation evidencing that the minimum taxable value requirement(s) set forth below have been met for the applicable period(s) of time set forth below:

1. First Tranche of Developer Interest Payments: If, on or before December 31, 2026, (a) the taxable value of the Property is not less than $49,440,000, and (b) Developer has satisfied all other requirements for payment of Developer Interest set forth herein, Developer Interest shall accrue for up to two (2) consecutive years from the Effective Date; provided, however, that should the taxable value of the Property fall below $49,400,000, no Developer Interest payment will be due for that year.

2. Second Tranche of Developer Interest Payments: If, on or before December 31, 2029, (a) the taxable value of the Property is not less than $113,000,000, (b) Developer has met the criteria to receive the first tranche of Developer Interest payments for two (2) consecutive years subject to the preceding subsection, and (c) Developer has satisfied all other requirements for payment of Developer Interest set forth herein, Developer Interest shall accrue for up to an additional two (2) consecutive years; provided, however, that should the taxable value of the Property fall below $113,000,000, no Developer Interest payment will be due for that year.

E. The City is not required to make any payment to the Developer in any year in which:

(i) Completion of Construction of the Public Improvements has not occurred and/or Developer has not submitted a payment request in compliance with the requirements of this Article;

(ii) funds are not available from the Available Tax Increment;

(iii) the taxable value of the Property for that year is less than or equal to the Base Year Value, regardless of whether there is Available Tax Increment; or

(iv) the Developer has not fully paid all ad valorem property taxes owed on the Project or the Property (including any delinquent or rollback taxes).

In addition to the foregoing, the City is not required to make any payment to the Developer of Developer Interest except as expressly set forth in and subject to the conditions of Section D. above. In the event that Developer has met the criteria to receive a Developer Interest payment and sufficient funds are not available from the Available Tax Increment that year to reimburse the outstanding Developer Advances and make the Developer Interest payment, the Available Tax Increment will be allocated first toward reimbursement of the outstanding Developer Advances, and then toward the Developer Interest payment, and any unpaid portion of the Developer Interest payment that would have been payable that year will be carried forward and will be made from Available Tax Increment in the next year in which sufficient Available Tax Increment remains, following reimbursement of outstanding Developer Advances, to pay the balance of such Developer Interest payment.

F. Prior to the payment of any portion of the TIRZ Contribution to the Developer, the City shall hire a certified public accountant to review the invoices and appropriate proof of payment for all Public Improvement Costs paid for by Developer Advances for which Completion of Construction has occurred and submit a report to the City certifying the (i) amounts due from the Available Tax Increment for the Developer Advances being repaid, and (ii) that funds are available from Available Tax Increment to make such payment.

G. In the event all or a portion of the Public Improvements Costs (and, if applicable, the payment of Developer Interest thereon) is determined to be ineligible under the Act or is inconsistent with the Plan, the TIRZ Contribution shall be reduced by the amount attributable to the ineligible component(s) or cost(s). If the City has already repaid the Developer for such ineligible Public Improvements Costs (or Developer Interest thereon) in accordance with this Agreement, the Parties hereby agree that (i) the amount repaid to the Developer by the City for such ineligible Public Improvements Costs (or Developer Interest thereon) shall be offset against future repayments by the City, or (ii) in the event there are not future repayments to be made by the City, or such amounts are insufficient, (x) the Developer shall reimburse the City for such amount owed within thirty (30) days of receipt of an invoice from the City, and (y) interest will accrue on any amounts not reimbursed by Developer within thirty (30) days of receipt of an invoice from the City at the rate of interest specified in Texas Government Code Section 2251.025.

H. Developer agrees that it will exercise reasonable efforts to seek reimbursement from the City for Public Improvements Costs eligible for payment from public funding sources other than Available Tax Increment, to the maximum extent permitted by Applicable Law and/or by agreement. Public Improvements Costs reimbursable to Developer under this Agreement shall be reduced to the extent that such Project Costs are reimbursed to, or are contracted to be reimbursed to, Developer from any public funding sources other than Available Tax Increment, and the obligations of the City to reimburse Developer under this Agreement will be decreased by the amount of the payments to the Developer from such other funding public sources.

ARTICLE VI
ADDRESS AND NOTICE

Any and all notices and communications under this Agreement shall be mailed by first-class mail, or delivered, or sent by electronic transmission confirmed by mailing written confirmation at substantially the same time as such electronic transmission, to the Developer at the following address:

Castle Biosciences, Inc.
c/o Partners
1360 Post Oak Blvd, Suite 1900
Houston, Texas 77056
Attention: Carter Perrin, Managing Director
Email: carter.perrin@partnersrealestate.com

With a copy to:

Allen Boone Humphries Robinson LLP
3200 Southwest Freeway, Suite 2600
Houston, Texas 77027
Attention: Jessica Holoubek
Email: jholoubek@abhr.com

Any and all notices and communications under this Agreement shall be mailed by first-class mail, or delivered, or sent by electronic transmission confirmed by mailing written confirmation at substantially the same time as such electronic transmission, to the City at the following address:

City Manager, City of Friendswood, Texas
910 S. Friendswood Drive
Friendswood, Texas 77546
Email: fwdcity@friendswood.com

Any and all notices and communications under this Agreement shall be mailed by first-class mail, or delivered, or sent by electronic transmission confirmed by mailing written confirmation at substantially the same time as such electronic transmission, to the Zone at the following address:

Reinvestment Zone Number Two, City of Friendswood
c/o City Secretary
910 S. Friendswood Drive
Friendswood, Texas 77546
Email: citysecretary@friendswood.com

ARTICLE VII
INSURANCE, INDEMNIFICATION AND RELEASE

A. Insurance. With no intent to limit any contractor's liability or obligation for indemnification, Developer shall require that each contractor providing work or service on the Public Improvements provide and maintain certain insurance in full force and effect at all times during the construction of the Public Improvements and shall require that the City and the Zone are named as additional insureds under such contractor's insurance policies.

The insurance, at a minimum, must include the following coverages and limits of liability:

Coverage	Limit of Liability
Worker's Compensation	Statutory for Workers Compensation
Employer's Liability (each accident) (policy limit) (each employee)	Bodily Injury by Disease $500,000 Bodily Injury by Accident $100,000 Bodily Injury by Disease $100,000
Commercial General Liability:	Each Occurrence Limit of $1,000,000 Personal and Advertising Limit of $1,000,000 General Aggregate Limit of $2,000,000 Products - Completed Operations

	Aggregate Limit of $2,000,000
Automobile Liability Insurance (for automobiles used by the contractor in the course of its performance under this Agreement including employer's non-owned and hired auto coverage) Professional Liability Coverage (for professional service contract only)	$1,000,000 combined single limit per occurrence $500,000 per occurrence $1,000,000 aggregate

If the amount of any contract awarded by Developer to construct Public Improvements shall exceed $1,000,000, Developer shall contract with the contractor to maintain Commercial General Liability coverage for at least twice the combined minimum limits specified above.

B. Form of Policies. The City may approve the form of the insurance policies, but nothing the City does or fails to do relieves Developer of its obligation to provide the required coverage under this Agreement. The City's actions or inactions do not waive the Zone's or the City's rights under this Agreement.

C. Issuers of Policies. The issuer of each policy shall be a carrier that is licensed and admitted to do business in the State of Texas by the Texas Department of Insurance or a legally established self-insurance pool in the State of Texas and has a Best's rating of at least A and a Best's Financial Size Category of Class VII or better, according to the most current edition Best Key Rating Guide, Property-Casualty United States.

D. Insured Parties. Each policy, except those for Workers' Compensation, Employer's Liability, and Professional Liability, must name the City and the Zone (and their respective officers, agents, and employees) as additional insured parties on the original policy and all renewals or replacements.

E. Deductibles. Developer shall be responsible for and bear (or shall contract with each applicable contractor to bear and assume) any claims or losses to the extent of any deductible amounts and waives (and shall contract with each contractor to waive) any claim it may have for the same against the City or the Zone, or their respective officers, agents, or employees.

F. Cancellation. Each policy must state that it may not be canceled, materially modified, or nonrenewed unless the insurance company gives the City thirty (30) days' prior written notice. Developer shall (and shall contract with each contractor to) give written notice to the City within five (5) days of the date on which total claims by any party against such person reduce the aggregate amount of coverage below the amounts required by this Agreement. In the alternative, the policy may contain an endorsement establishing a policy aggregate for the particular project or location subject to this Agreement.

G. Subrogation. Each policy must contain an endorsement to the effect that the issuer waives any claim or right of subrogation to recover against the City and the Zone, and their respective officers, agents, or employees.

H. Primary Insurance Endorsement. Each policy, except Workers' Compensation and Professional Liability (if any), must contain an endorsement that the policy is primary to any other insurance available to the additional insured with respect to claims arising under this Agreement.

I. Liability for Premium. Developer shall pay (or shall contract with contractors to pay) all insurance premiums for coverage required by this Article VII and the City and the Zone shall not be obligated to pay any premiums.

J. Subcontractors. Notwithstanding the other provisions of this Article VII, the amount of coverage contracted to be provided by subcontractors shall be commensurate with the amount of the subcontract, but in no case less than $500,000 per occurrence.

K. Proof of Insurance. Promptly after the execution of this Agreement and from time to time during the Term at the request of the City, Developer shall furnish the City with certificates of insurance maintained by Developer in accordance with this Article VII, along with an affidavit from Developer confirming that the certificates accurately reflect the insurance coverage maintained. Prior to Commencement of Construction of any Public Improvements hereunder, Developer shall provide (or shall contract with its contractors or subcontractors to provide) copies of the insurance certificates to the City, and within ten (10) days before expiration of coverage, Developer shall deliver (or contract with its contractors or subcontractors to deliver) copies of renewal policies or certificates of insurance evidencing renewal and payment of premium. Developer shall maintain all current certificates of insurance on file with the City at all times during the Term until the Completion of all Public Improvements has occurred. If requested in writing by the City, Developer shall furnish the City Manager with certified copies of Developer's actual insurance policies. If Developer does not comply with the requirements of this Article VII, the City, at its sole discretion, may (1) suspend performance by the City and the hereunder and begin procedures to terminate this Agreement for default or (2) purchase the required insurance with City or Zone funds and deduct the cost of the premiums from amounts due to Developer under this Agreement. The City shall never waive or be estopped to assert its right to terminate this Agreement because of its acts or omissions regarding its review of insurance documents.

L. Other Insurance. If requested by the City, Developer shall furnish adequate evidence of social security and unemployment compensation insurance, to the extent applicable to Developer's operations under this Agreement.

M. Indemnification and Release.

DEVELOPER SHALL DEFEND, INDEMNIFY, AND HOLD THE CITY AND THE ZONE, THEIR AGENTS, EMPLOYEES, OFFICERS, AND LEGAL REPRESENTATIVES (COLLECTIVELY, THE "INDEMNIFIED PERSONS") HARMLESS FOR ALL CLAIM, CAUSES OF ACTION, LIABILITIES, FINES, AND EXPENSES (INCLUDING, WITHOUT LIMITATION, ATTORNEYS' FEES, COURT COSTS, AND ALL OTHER DEFENSE COSTS AND INTEREST) FOR INJURY, DEATH, DAMAGE, OR LOSS TO PERSONS OR PROPERTY SUSTAINED IN CONNECTION WITH OR INCIDENTAL TO PERFORMANCE UNDER THIS AGREEMENT, INCLUDING, WITHOUT LIMITATION, THOSE CAUSED BY:

DEVELOPER AND/OR ITS AGENTS', EMPLOYEES, OR OFFICERS' DIRECTORS', CONTRACTORS' OR SUBCONTRACTORS' (COLLECTIVELY "DEVELOPER'S") ACTUAL OR ALLEGED NEGLIGENCE OR INTENTIONAL ACTS OR OMISSIONS;

THE INDEMNIFIED PERSONS' AND DEVELOPER'S ACTUAL OR ALLEGED CONCURRENT NEGLIGENCE, WHETHER DEVELOPER IS IMMUNE FROM LIABILITY OR NOT; AND/OR

THE INDEMNIFIED PERSONS' AND DEVELOPER'S ACTUAL OR ALLEGED STRICT PRODUCTS LIABILITY OR STRICT STATUTORY LIABILITY, WHETHER DEVELOPER IS IMMUNE FROM LIABILITY OR NOT.

NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION OR OTHER PROVISIONS OF THIS AGREEMENT, (1) DEVELOPER SHALL NOT BE OBLIGATED TO INDEMNIFY ANY INDEMNIFIED PERSON FOR THE INDEMNIFIED PERSON'S SOLE NEGLIGENCE; AND (2) DEVELOPER SHALL NOT BE OBLIGATED TO INDEMNIFY ANY INDEMNIFIED PERSONS TO THE EXTENT THAT ANY CLAIMS WHICH MIGHT OTHERWISE BE SUBJECT TO INDEMNIFICATION HEREUNDER RESULTED, IN WHOLE OR IN PART, FROM THE GROSS NEGLIGENCE, RECKLESSNESS OR INTENTIONAL ACT OR OMISSION OF ANY INDEMNIFIED PERSON OR PERSONS.

IF AN INDEMNIFIED PERSON OR DEVELOPER RECEIVES NOTICE OF ANY CLAIM OR CIRCUMSTANCE WHICH COULD GIVE RISE TO AN INDEMNIFIED LOSS, THE RECEIVING PARTY SHALL GIVE WRITTEN NOTICE TO THE OTHER PARTY WITHIN TEN (10) DAYS. THE NOTICE MUST INCLUDE A DESCRIPTION OF THE INDEMNIFICATION EVENT IN REASONABLE DETAIL, THE BASIS ON WHICH INDEMNIFICATION MAY BE DUE, AND THE ANTICIPATED AMOUNT

OF THE INDEMNIFIED LOSS. THIS NOTICE SHALL NOT ESTOP OR PREVENT AN INDEMNIFIED PERSON FROM LATER ASSERTING A DIFFERENT BASIS FOR INDEMNIFICATION OR A DIFFERENT AMOUNT OF INDEMNIFIED LOSS THAN THAT INDICATED IN THE INITIAL NOTICE. IF AN INDEMNIFIED PERSON DOES NOT PROVIDE THIS NOTICE WITHIN THE 10-DAY PERIOD, IT DOES NOT WAIVE ANY RIGHT TO INDEMNIFICATION EXCEPT TO THE EXTENT THAT DEVELOPER IS PREJUDICED, SUFFERS LOSS, OR INCURS EXPENSE BECAUSE OF THE DELAY.

DEVELOPER SHALL ASSUME THE DEFENSE OF THE CLAIM AT ITS OWN EXPENSE WITH COUNSEL CHOSEN BY IT THAT IS REASONABLY SATISFACTORY TO THE INDEMNIFIED PERSON. DEVELOPER SHALL THEN CONTROL THE DEFENSE AND ANY NEGOTIATIONS TO SETTLE THE CLAIM. WITHIN TEN (10) DAYS AFTER RECEIVING WRITTEN NOTICE OF THE INDEMNIFICATION REQUEST, DEVELOPER SHALL ADVISE THE INDEMNIFIED PERSON AS TO WHETHER OR NOT IT WILL DEFEND THE CLAIM. IF DEVELOPER DOES NOT ASSUME THE DEFENSE, THE INDEMNIFIED PERSON SHALL ASSUME AND CONTROL THE DEFENSE, AND ALL DEFENSE EXPENSES INCURRED BY IT SHALL CONSTITUTE AN INDEMNIFICATION LOSS.

IF DEVELOPER ELECTS TO DEFEND A CLAIM, THE INDEMNIFIED PERSON MAY RETAIN SEPARATE COUNSEL AT THE SOLE COST AND EXPENSE OF SUCH INDEMNIFIED PERSON TO PARTICIPATE IN (BUT NOT CONTROL) THE DEFENSE AND TO PARTICIPATE IN (BUT NOT CONTROL) ANY SETTLEMENT NEGOTIATIONS. DEVELOPER MAY SETTLE THE CLAIM WITHOUT THE CONSENT OR AGREEMENT OF THE INDEMNIFIED PERSON, UNLESS THE SETTLEMENT (I) WOULD RESULT IN INJUNCTIVE RELIEF OR OTHER EQUITABLE REMEDIES OR OTHERWISE REQUIRE THE INDEMNIFIED PERSON TO COMPLY WITH RESTRICTIONS OR LIMITATIONS THAT ADVERSELY AFFECT THE INDEMNIFIED PERSON, (II) WOULD REQUIRE THE INDEMNIFIED PERSON TO PAY AMOUNTS THAT DEVELOPER DOES NOT FUND IN FULL, OR (III) WOULD NOT RESULT IN THE INDEMNIFIED PERSON'S FULL AND COMPLETE RELEASE FROM ALL LIABILITY TO THE PLAINTIFFS OR CLAIMANTS WHO ARE PARTIES TO OR OTHERWISE BOUND BY THE SETTLEMENT.

DEVELOPER RELEASES EACH INDEMNIFIED PERSON FROM ALL LIABILITY FOR INJURY, DEATH, DAMAGE, OR LOSS TO PERSONS OR PROPERTY SUSTAINED IN CONNECTION WITH OR INCIDENTAL TO PERFORMANCE UNDER THIS AGREEMENT, EVEN IF THE INJURY, DEATH, DAMAGE, OR LOSS IS CAUSED BY THE INDEMNIFIED PERSON'S CONCURRENT NEGLIGENCE AND/OR THE INDEMNIFIED PERSON'S STRICT PRODUCTS LIABILITY OR

STRICT STATUTORY LIABILITY, BUT NOT SUCH INDEMNIFIED PERSON'S SOLE NEGLIGENCE OR FROM ANY DAMAGE OR LOSS TO THE EXTENT RESULTING FROM THE GROSS NEGLIGENCE, RECKLESSNESS OR INTENTIONAL ACT OR OMISSION OF THE INDEMNIFIED PERSON.

DEVELOPER SHALL REQUIRE ALL CONTRACTORS ENGAGED BY IT TO CONSTRUCT PUBLIC IMPROVEMENTS (AND THEIR SUBCONTRACTORS) TO RELEASE AND INDEMNIFY THE INDEMNIFIED PERSONS TO THE SAME EXTENT AND IN SUBSTANTIALLY THE SAME FORM AS ITS RELEASE OF AND INDEMNITY TO THE INDEMNIFIED PERSONS HEREUNDER.

N. RELEASE. DEVELOPER SHALL ALSO REQUIRE THAT ALL GENERAL CONTRACTORS INDEMNIFY THE CITY AND THE ZONE AND THEIR RESPECTIVE OFFICIALS AND EMPLOYEES FROM AND AGAINST ANY AND ALL CLAIMS, LOSSES, DAMAGES, CAUSES OF ACTION, SUITS AND LIABILITIES ARISING OUT OF SUCH CONTRACTOR'S WORK AND ACTIVITY RELATED TO THE PUBLIC IMPROVEMENTS.

O. Survival. The provisions of Sections M. and N. above shall survive the expiration or termination of the Agreement.

ARTICLE VIII
DEFAULT AND REMEDY

A. Payment Default. The City and Zone agree that, so long as Developer has complied with the terms and provisions of this Agreement, the failure to pay the Developer any portion of the TIRZ Contribution within ten (10) days of the receipt of notice of such failure to pay is an event of default (a "Payment Default") and that the Developer shall be entitled to any and all of the remedies available in this Article or otherwise at law or equity.

B. Developer Default. In the event that the Developer fails to (i) Commence Construction of the Public Improvements on or before the Commencement Deadline, or (ii) Complete Construction of the Public Improvements on or before the Completion Deadline, such failure shall be an event of default by Developer and, in addition to any other remedies available to the City or the Zone at law or in equity, including the termination of this Agreement, the Developer shall release the City from the obligation to repay any Developer Advances or Developer Interest with respect to the Public Improvements Costs.

C. General Events of Default. A Party shall be deemed in default under this Agreement (which shall be deemed a breach hereunder) if such Party fails to materially perform, observe or comply with any of its covenants, agreements or obligations hereunder or breaches or violates any of its representations contained in this Agreement.

Before any failure of any Party to perform its obligations under this Agreement, shall be deemed to be a breach of this Agreement, the Party claiming such failure shall notify the Party alleged to have failed to perform of the alleged failure, in writing, and shall demand performance. Except as otherwise provided in Section A. above with regard to a Payment Default, no breach of this Agreement may be found to have occurred if performance has commenced to the reasonable satisfaction of the complaining Party within 30 days of the receipt of such notice.

Upon a breach of this Agreement, the non-defaulting Party, in any court of competent jurisdiction, by an action or proceeding at law or in equity, may pursue any other remedy set forth herein or otherwise available to that Party at law or in equity. Except as otherwise set forth herein, no action taken by a Party pursuant to the provisions of this Section or pursuant to the provisions of any other Section of this Agreement shall be deemed to constitute an election of remedies; and all remedies set forth in this Agreement shall be cumulative and non-exclusive of any other remedy either set forth herein or available to any Party at law or in equity. Each Party shall have the affirmative obligation to mitigate its damages in the event of a default by another Party.

Notwithstanding anything in this Agreement which is or may appear to be to the contrary, if the performance of any covenant or obligation to be performed hereunder by any Party is delayed as a result of circumstances which are beyond the reasonable control of such Party (which circumstances may include, without limitation, pending or threatened litigation, acts of God, war, acts of civil disobedience, fire or other casualty, shortage of materials, adverse weather conditions [such as, by way of illustration and not limitation, severe rain storms or below freezing temperatures, or tornadoes], labor action, strikes or similar acts), the time for such performance shall be extended by the amount of time of such delay.

In addition to any other right or remedy available to the Parties pursuant to this Agreement, in the event of a default or a breach by either Party under this Agreement which continues for 30 days after written notice to the Party alleged to have defaulted or breached and the failure of the Party alleged to have defaulted or breached to cure or diligently proceed to cure such breach to the complaining Party's reasonable satisfaction, the complaining Party shall have the right (but not the obligation), in its sole discretion, to exercise the rights set forth herein or otherwise available to that Party at law or in equity to require the Party alleged to have defaulted or breached to perform.

ARTICLE IX
GENERAL PROVISIONS

A. Time of the Essence. Time is of the essence of this Agreement. The Parties will make every reasonable effort to expedite the subject matters hereof and acknowledge that the successful performance of this Agreement requires their continued cooperation.

B. Amendments and Waivers. Any provision of this Agreement may be amended or waived if such amendment or waiver is in writing and is approved by the Developer, the Zone and the City. No course of dealing on the part of the Parties nor any failure or delay by the Parties with respect to exercising any right, power or privilege pursuant to this Agreement shall operate as a waiver thereof, except as otherwise provided in this Section.

C. Invalidity. In the event that any of the provisions contained in this Agreement shall be held unenforceable in any respect, such unenforceability shall not affect any other provisions of this Agreement; and, to that end, all provisions, covenants, agreements or portions of this Agreement are declared to be severable.

D. Inspections, Audits. Developer agrees to keep such operating records relating to the Public Improvements as may be reasonably required by the City, or by Applicable Law. Developer shall allow the City reasonable access to documents and records in Developer's possession, custody or control that the City deems necessary to assist the City in determining Developer's compliance with this Agreement. Prior to the City's acceptance of the Public Improvements (or any component thereof), Developer shall tender such records to the City for retention in accordance with the Texas Local Government Records Act.

E. Developer Operations and Employees. All personnel supplied or used by Developer in the performance of this Agreement shall be deemed employees or subcontractors of Developer and will not be considered employees, agents or subcontractors of the City for any purpose whatsoever. Developer shall be solely responsible for the compensation of all such personnel, for withholding of income, social security and other payroll taxes and for the coverage of all worker's compensation benefits.

F. Personal Liability of Public Officials. To the extent permitted by the laws of the State of Texas, no director, officer, employee or agent of the Zone, and no officer, employee or agent of the City, shall be personally responsible for any liability arising under or growing out of the Agreement.

G. Successors and Assigns. No Party may assign its rights or obligations hereunder without the consent of the other Parties, except that, i) upon written notice to the other Parties in accordance with this Agreement, the Developer may assign the

Agreement or the payment of the TIRZ Contribution to an affiliate of the Developer and ii) upon written notice to the other Parties in accordance with this Agreement, the Developer may assign all or a portion of the Developer's contractual right to any sum due or to become due under this Agreement to Developer's lender to aid and assist the Developer in financing the Public Improvements Costs. For purposes of this Section, an "affiliate" means any other person directly controlling, or directly controlled by or under direct common control with the Developer. As used in this definition, the term "control," "controlling" or "controlled by" shall mean the possession, directly, of the power either to (a) vote fifty percent (50%) or more of the securities or interests having ordinary voting power for the election of directors (or other comparable controlling body) of the Developer, or (b) direct or cause the direction of management or policies of the Developer, whether through the ownership of voting securities or interests, by contract or otherwise, excluding in each case, any lender of the Developer or any affiliate of such lender.

H. Exhibits, Titles of Articles, Sections and Subsections. The exhibits attached to this Agreement, if any, are incorporated herein and shall be considered a part of this Agreement for the purposes stated herein, except that in the event of any conflict between any of the provisions of such exhibits and the provisions of this Agreement, the provisions of this Agreement shall prevail. All titles or headings are only for the convenience of the Parties and shall not be construed to have any effect or meaning as to the agreement between the Parties hereto. Any reference herein to a section or subsection shall be considered a reference to such section or subsection of this Agreement unless otherwise stated. Any reference herein to an exhibit shall be considered a reference to the applicable exhibit attached hereto unless otherwise stated.

I. Applicable Law. This Agreement is a contract made under and shall be construed in accordance with and governed by the laws of the United States of America and the State of Texas, and any actions concerning this Agreement shall be brought in the State Courts of Galveston County, Texas.

J. State Law Requirements.

1. Iran, Sudan and Foreign Terrorist Organizations. The Developer represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website:

https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf,

https://comptroller.texas.gov/purchasing/docs/iran-list.pdf, or https://comptroller.texas.gov/purchasing/docs/fto-list.pdf.

The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and excludes the Developer and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Developer understands "affiliate" to mean any entity that controls, is controlled by, or is under common control with the Developer and exists to make a profit. Notwithstanding anything contained herein, the representations and covenants contained in this Section shall survive termination of the Agreement until the statute of limitations has run.

2. Anti-Boycott Verification. The Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and, will not boycott Israel during the Term. The foregoing verification is made solely to comply with Section 2271.002, Texas Government Code. As used in the foregoing verification, "boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The Developer understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Developer and exists to make a profit. Notwithstanding anything contained herein, the representations and covenants contained in this Section shall survive termination of the Agreement until the statute of limitations has run.

3. Petroleum. The Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the Term. The foregoing verification is made solely to enable the City to comply with such Section. As used in the foregoing verification, "boycott energy companies" shall mean, without an ordinary business purpose, refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations with a company because the company (A) engages in the exploration, production, utilization, transportation, sale, or manufacturing of fossil fuel-based energy and does not commit or pledge to meet environmental standards beyond applicable federal and state law; or (B) does business with a company described by (A) above. The Developer understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Developer within the meaning of SEC Rule 133(f), 17 C.F.R. §230.133(f), and exists to make a profit. Notwithstanding anything contained herein, the representations and covenants contained in this

Section shall survive termination of the Agreement until the statute of limitations has run.

4. Firearms. The Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate during the Term against a firearm entity or firearm trade association. The foregoing verification is made solely to enable the City to comply with such Section. As used in the foregoing verification, "discriminate against a firearm entity or firearm trade association": (a) means, with respect to the firearm entity or firearm trade association, to: (i) refuse to engage in the trade of any goods or services with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association; (ii) refrain from continuing an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association; or (iii) terminate an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association and (b) does not include: (i) the established policies of a merchant, retail seller, or platform that restrict or prohibit the listing or selling of ammunition, firearms, or firearm accessories; and (ii) a company's refusal to engage in the trade of any goods or services, decision to refrain from continuing an existing business relationship, or decision to terminate an existing business relationship: (aa) to comply with federal, state, or local law, policy, or regulations or a directive by a regulatory agency; or (bb) for any traditional business reason that is specific to the customer or potential customer and not based solely on an entity's or association's status as a firearm entity or firearm trade association. As used in the foregoing verification, (a) "firearm entity" means a manufacturer, distributor, wholesaler, supplier, or retailer of firearms (i.e., weapons that expel projectiles by the action of explosive or expanding gases), firearm accessories (i.e., devices specifically designed or adapted to enable an individual to wear, carry, store, or mount a firearm on the individual or on a conveyance and items used in conjunction with or mounted on a firearm that are not essential to the basic function of the firearm, including detachable firearm magazines), ammunition (i.e., a loaded cartridge case, primer, bullet, or propellant powder with or without a projectile) or a sport shooting range (as defined by Section 250.001, Texas Local Government Code), and (b) "firearm trade association" means a person, corporation, unincorporated association, federation, business league, or business organization that: (i) is not organized or operated for profit (and none of the net earnings of which inures to the benefit of any private shareholder or individual); (ii) has two or more firearm entities as members; and (iii) is exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, as an organization described by Section 501(c) of that code. The Developer understands "affiliate" to mean an entity that controls,

is controlled by, or is under common control with the Developer within the meaning of SEC Rule 133(f), 17 C.F.R. §230.133(f), and exists to make a profit. Notwithstanding anything contained herein, the representations and covenants contained in this Section shall survive termination of the Agreement until the statute of limitations has run.

K. No Arbitration. Notwithstanding anything to the contrary contained in this Agreement, the Parties hereby agree that no claim or dispute between the Parties arising out of or relating to this Agreement shall be decided by any arbitration proceeding including, without limitation, any proceeding under the Federal Arbitration Act (9 U.S.C. Sections 1 - 14), or any applicable State arbitration statute, including, but not limited to, the Texas General Arbitration Act, provided that in the event the City or the Zone Board is subjected to an arbitration proceeding notwithstanding this provision, the Developer consents to be joined in the arbitration proceeding if the Developer's presence is required or requested by the City or the Zone Board for complete relief to be recorded in the arbitration proceeding.

L. Entire Agreement. This Agreement represents the final agreement between the Parties and may not be contradicted by evidence of prior, contemporaneous, or subsequent oral agreements of the Parties. There are no unwritten oral agreements between the Parties.

M. Approval by the Parties. Whenever this Agreement requires or permits approval or consent to be hereafter given by any of the Parties, the Parties agree that such approval or consent shall not be unreasonably conditioned, withheld or delayed.

N. Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same agreement.

O. Interpretation. This Agreement has been jointly negotiated by the Parties and shall not be construed against a Party because that Party may have primarily assumed responsibility for the drafting of this Agreement.

[EXECUTION PAGES FOLLOW]

IN TESTIMONY OF WHICH this instrument has been executed in multiple counterparts, each of equal dignity and effect, on behalf of the Developer and the City effective as of the date of execution by the City.

REINVESTMENT ZONE NUMBER TWO, CITY OF FRIENDSWOOD		**CITY OF FRIENDSWOOD, TEXAS**
By:________________________________ Mike Foreman Chair of the Board of Directors		By:________________________________ Morad Kabiri City Manager Execution Date: __________________
ATTEST: By:________________________________ Name:_____________________________ Title:______________________________		ATTEST: By:________________________________ Leticia Brysch City Secretary
		APPROVED AS TO FORM: By:________________________________ Karen L. Horner City Attorney

<u>DEVELOPER</u>:

CASTLE BIOSCIENCES, INC.

By:______________________________

Name: __________________________

Title: ___________________________

EXHIBIT A

PROPERTY

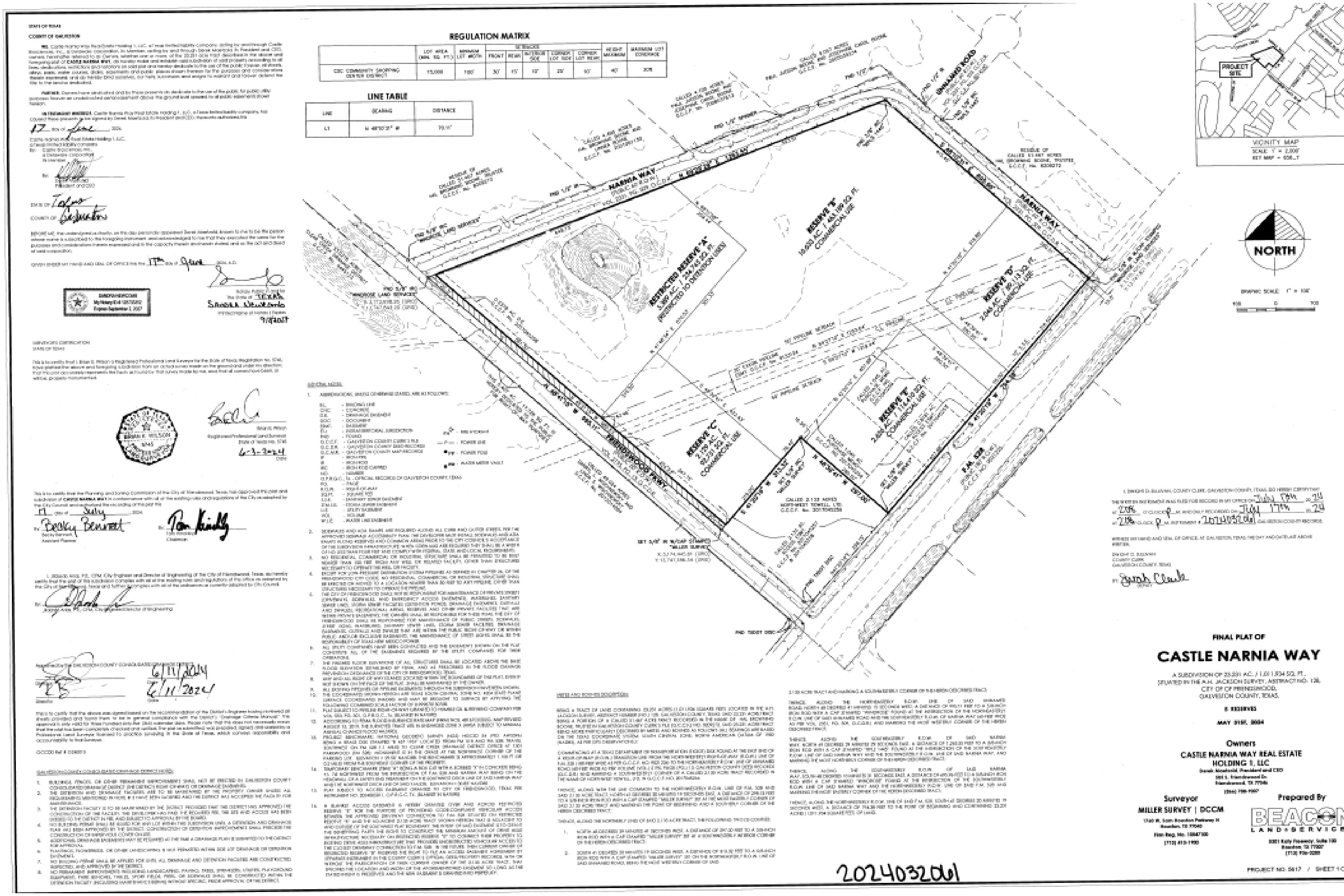


EXHIBIT B

PUBLIC IMPROVEMENTS

Public Improvements include the public infrastructure shown in **Exhibit B-1**, including but not limited to public infrastructure associated with the following permit numbers:

PLT2024-1543 - Castle Narnia Way Final Plat, recorded July 17, 2024, in the Galveston County Records under Document Number 2024032061

EAR2024-1447 - Clearing and grubbing work, including removal of existing trees, issued April 23, 2024

SUB2024-1609 - DETENTION & DRAINAGE FOR CASTLE NARNIA WAY

COM2024-3066 – 8″ public water line

Public Improvements shall also include the additional public infrastructure listed in the cost estimate set forth below that is permitted after the Effective Date.

Castle Bioscience

Public Infrastructure | Friendswood, Texas

Description	Qty.	Unit	Unit Price	Amount	Anticipated Completion
LAND					
Land Cost	234,788.4	SF	$ 7.25	$ 1,702,215.90	2024
Clearing and Grubbing / Site Preparation	1	LS		$ 216,040.00	2024
Storm Water Pollution Prevention	1	LS		$ 30,350.10	2024
Construction Staking Services	1	LS		$ 8,250.00	2024
Material Testing	1	LS		$ 20,000.00	2024
Landscaping	1	LS		$ 44,804.40	2025
ONSITE PUBLIC INFRASTRUCTURE					
Public fire water loop	1	ls		$ 258,500.00	2024
PUBLIC STORM WATER COLLECTION SYSTEM					
54-Inch, CLIII R/G, RCP Storm Sewer	215	LF		$ 657,800.00	2024
48-Inch, CLIII R/G, RCP Storm Sewer	748	LF		w/ above	2024
42-Inch, CLIII R/G, RCP Storm Sewer	135	LF		w/ above	2024
Standard Type "C" Manhole (48"-72")	7	EA		w/ above	2024
Reinforced Concrete Slope Paving/Rip Rap	50	SY		w/ above	2024
Chigger Creek Outfall	1	LS		w/ above	2024
DETENTION BASIN					
Detention Basin Excavation On-Site Disposal	56,490	CY		$ 482,185.00	2024
5-Foot Wide Concrete Lined Pilot Channel	1,100	LF		$ 104,264.60	2024
Reinforced Concrete Slope Paving	30	SY		w/ above	2024
Backslope Interceptor Structure	6	EA		w/ above	2024
Backslope Swale	2,697	LF		$ 28,267.80	2024
Turf Establishment of Detention Pond	8	AC		$ 12,802.90	2025
Floatable Collection Screen	1	LS		w/ above	2025
CONTRACTOR FEES					
Insurance				$ 7,154.40	2024
General Conditions				$ 121,841.50	2024
General Requirements				$ 70,947.80	2024
Fee				$ 47,847.80	2024
MANAGEMENT & FEES					
Permitting Fees				$ 65,000.00	2024
Engineering Fees				$ 250,000.00	2024
Management Fee			5.00%	$ 121,302.82	2024
Maintenance Bond				$ 20,000.00	2024
FRIENDSWOOD PARKWAY ROAD EXTENSION					
Clearing and Grubbing / Site Preparation	1	LS		$ 24,401.00	2025
Excavation, Paving and Traffic Improvements	1	LS		$ 437,707.40	2025
Public Storm Water Collection System	1	LS		$ 271,128.00	2025
Storm Water Pollution Prevention	1	LS		$ 14,664.73	2025
Construction Staking Services	1	LS		$ 18,330.91	2025
Material Testing	1	LS		$ 50,000.00	2025
Landscaping	1	LS		$ 150,000.00	2025
Permitting Fees	1	LS		$ 14,145.82	2025
Engineering Fees	1	LS		$ 113,166.58	2025
Management Fee			5.00%	$ 54,677.22	2025
Total				**$ 5,417,796.67**	

The total amount of the TIRZ Contribution for the Public Improvements Costs may not exceed the TIRZ Contribution as defined in the Agreement.

EXHIBIT B-1

MAP OF PUBLIC IMPROVEMENTS

PROJECT NAME	PROPOSED DRAINAGE AND DETENTION FACILITIES TO SERVE CITY OF FRIENDSWOOD			
DETENTION BASIN AREA	4.318			ACRES
SERVICE AREA* (TO SERVE PRIVATE DEVELOPMENT)	24.84			ACRES
SERVICE AREA* (TO SERVE FUTURE PUBLIC ROW)	3.16			ACRES
TOTAL SERVICE AREA	28.00			ACRES
DETENTION STORAGE RATE**	1.271			ACRE-FEET/ACRE
DETENTION STORAGE REQUIRED	35.60			ACRE-FEET
DETENTION STORAGE PROVIDED	35.75			ACRE-FEET
FLOODPLAIN FILL MITIGATION VOLUME	0			ACRE-FEET
STORM EVENT	20% (5-YEAR)	10% (25 -YEAR)	1% (100-YEAR)	POND MAXIMUMS
DETENTION WATER SURFACE ELEVATION	24.00	27.30	30.70	
MAXIMUM ALLOWABLE OUTFLOW (CFS)	18.20	25.50	32.50	
MAXIMUM OUTFLOW PROVIDED (CFS)	17.50	24.90	31.20	
OUTFALL & RESTRICTOR	42" RCP outfall w/1.25' (15") diameter restrictor opening			

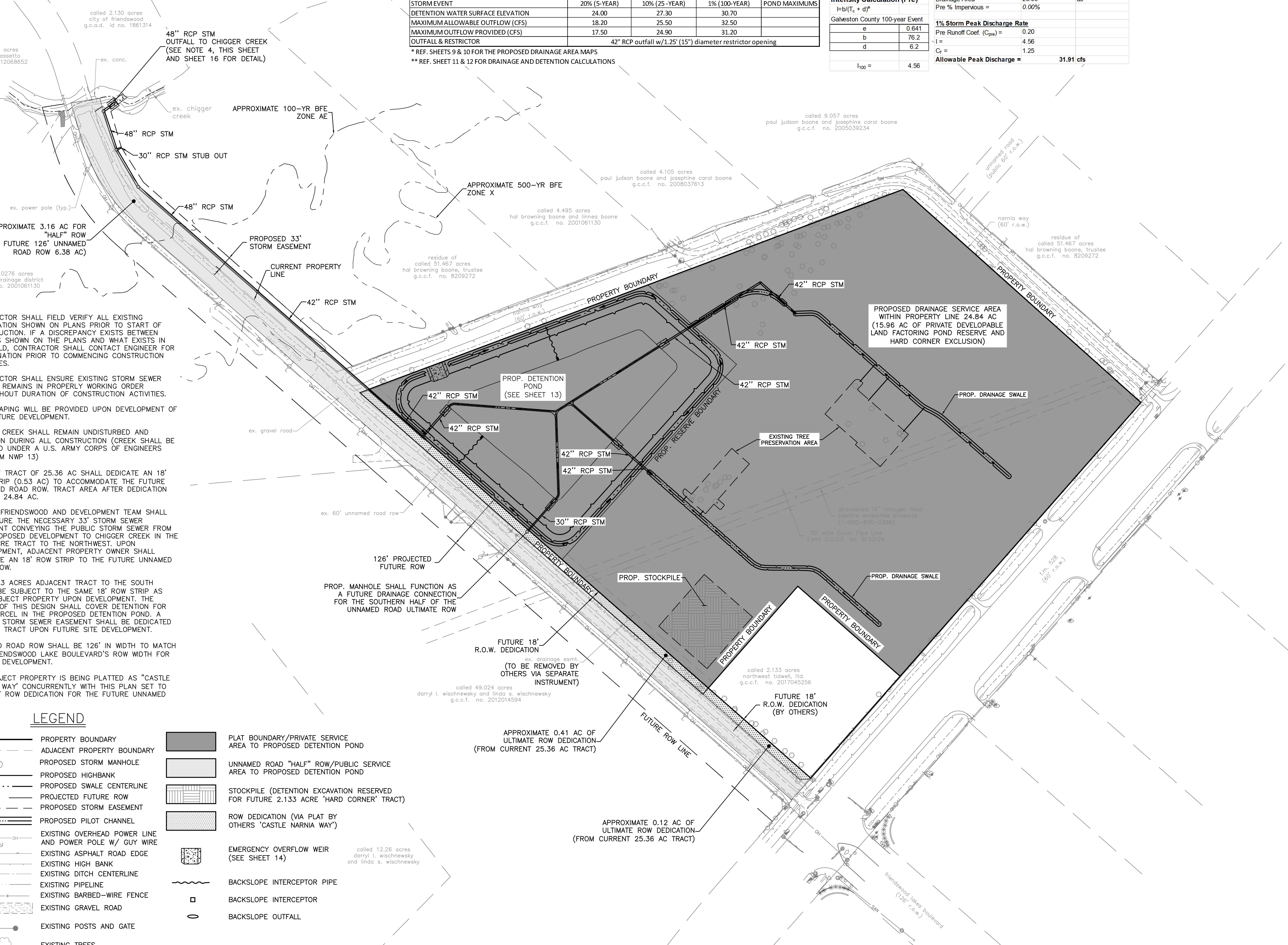
* REF. SHEETS 9 & 10 FOR THE PROPOSED DRAINAGE AREA MAPS

** REF. SHEET 11 & 12 FOR DRAINAGE AND DETENTION CALCULATIONS

Time of Concentration Calculation (Exist. Condition)		
$T_c=D_F/(60*V)+10$		
D_F (Flow distance)	842	ft
V (Avg. velo of runoff)	2	ft/sec
D_F (Flow distance)	1732	ft
V (Avg. velo of runoff)	0.5	ft/sec
T_c (Overland flow time)	74.8	min
T_c (Pre)	74.8	min

Intensity Calculation (Pre)	
$I=b/(T_c + d)^e$	
Galveston County 100-year Event	
e	0.641
b	76.2
d	6.2
I_{100} =	4.56

Drainage Area =	*28.00*	ac
Pre % Impervious =	*0.00%*	
1% Storm Peak Discharge Rate		
Pre Runoff Coef. (C_{pre}) =	0.20	
I =	4.56	
C_f =	1.25	
Allowable Peak Discharge =	**31.91**	**cfs**



NOTES:

1. CONTRACTOR SHALL FIELD VERIFY ALL EXISTING INFORMATION SHOWN ON PLANS PRIOR TO START OF CONSTRUCTION. IF A DISCREPANCY EXISTS BETWEEN WHAT IS SHOWN ON THE PLANS AND WHAT EXISTS IN THE FIELD, CONTRACTOR SHALL CONTACT ENGINEER FOR COORDINATION PRIOR TO COMMENCING CONSTRUCTION ACTIVITIES.
2. CONTRACTOR SHALL ENSURE EXISTING STORM SEWER SYSTEM REMAINS IN PROPERLY WORKING ORDER THROUGHOUT DURATION OF CONSTRUCTION ACTIVITIES.
3. LANDSCAPING WILL BE PROVIDED UPON DEVELOPMENT OF THE FUTURE DEVELOPMENT.
4. CHIGGER CREEK SHALL REMAIN UNDISTURBED AND FUNCTION DURING ALL CONSTRUCTION (CREEK SHALL BE COVERED UNDER A U.S. ARMY CORPS OF ENGINEERS (NO-PCM NWP 13)
5. CURRENT TRACT OF 25.36 AC SHALL DEDICATE AN 18' ROW STRIP (0.53 AC) TO ACCOMMODATE THE FUTURE UNNAMED ROAD ROW. TRACT AREA AFTER DEDICATION WILL BE 24.84 AC.
6. CITY OF FRIENDSWOOD AND DEVELOPMENT TEAM SHALL PROCEDURE THE NECESSARY 33' STORM SEWER EASEMENT CONVEYING THE PUBLIC STORM SEWER FROM THE PROPOSED DEVELOPMENT TO CHIGGER CREEK IN THE 8.52 ACRE TRACT TO THE NORTHWEST. UPON DEVELOPMENT, ADJACENT PROPERTY OWNER SHALL DEDICATE AN 18' ROW STRIP TO THE FUTURE UNNAMED ROAD ROW.
7. THE 2.133 ACRES ADJACENT TRACT TO THE SOUTH SHALL BE SUBJECT TO THE SAME 18' ROW STRIP AS THE SUBJECT PROPERTY UPON DEVELOPMENT. THE INTENT OF THIS DESIGN SHALL COVER DETENTION FOR THIS PARCEL IN THE PROPOSED DETENTION POND. A FUTURE STORM SEWER EASEMENT SHALL BE DEDICATED TO THIS TRACT UPON FUTURE SITE DEVELOPMENT.
8. UNNAMED ROAD ROW SHALL BE 126' IN WIDTH TO MATCH THE FRIENDSWOOD LAKE BOULEVARD'S ROW WIDTH FOR FUTURE DEVELOPMENT.
9. THE SUBJECT PROPERTY IS BEING PLATTED AS "CASTLE NARNIA WAY" CONCURRENTLY WITH THIS PLAN SET TO REFLECT ROW DEDICATION FOR THE FUTURE UNNAMED ROAD.

LEGEND

- PROPERTY BOUNDARY
- ADJACENT PROPERTY BOUNDARY
- PROPOSED STORM MANHOLE
- PROPOSED HIGHBANK
- PROPOSED SWALE CENTERLINE
- PROJECTED FUTURE ROW
- PROPOSED STORM EASEMENT
- PROPOSED PILOT CHANNEL
- EXISTING OVERHEAD POWER LINE AND POWER POLE W/ GUY WIRE
- EXISTING ASPHALT ROAD EDGE
- EXISTING HIGH BANK
- EXISTING DITCH CENTERLINE
- EXISTING PIPELINE
- EXISTING BARBED-WIRE FENCE
- EXISTING GRAVEL ROAD
- EXISTING POSTS AND GATE
- EXISTING TREES
- PLAT BOUNDARY/PRIVATE SERVICE AREA TO PROPOSED DETENTION POND
- UNNAMED ROAD "HALF" ROW/PUBLIC SERVICE AREA TO PROPOSED DETENTION POND
- STOCKPILE (DETENTION EXCAVATION RESERVED FOR FUTURE 2.133 ACRE 'HARD CORNER' TRACT)
- ROW DEDICATION (VIA PLAT BY OTHERS 'CASTLE NARNIA WAY')
- EMERGENCY OVERFLOW WEIR (SEE SHEET 14)
- BACKSLOPE INTERCEPTOR PIPE
- BACKSLOPE INTERCEPTOR
- BACKSLOPE OUTFALL

BENCHMARK(S) / FLOODPLAIN

BENCHMARK/FLOODPLAIN:
ACCORDING TO THE FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA) FLOOD INSURANCE RATE MAP NO. 48167C0202G, EFFECTIVE DATE OF 08/15/2019, THE SURVEYED PROPERTY LIES WITHIN ZONE "X" (UNSHADED), AREAS DETERMINED TO BE OUTSIDE THE 0.2% ANNUAL CHANCE FLOODPLAIN.

SEE SHEET 3 FOR BENCHMARK NOTES.

APPR.	REVISION	DATE

ODYSSEY ENGINEERING GROUP
2500 Tanglewilde Street, Suite 300
Houston, Texas 77063
t: 281.306.0240 | www.odysseyeg.com
TBPE No. F-17637

STATE OF TEXAS
SETH LANE SAMUELSON
133489
LICENSED PROFESSIONAL ENGINEER
05/28/2024

CITY OF FRIENDSWOOD
GALVESTON COUNTY, TEXAS

910 Friendswood Drive
Friendswood, Texas 77546

UNNAMED ROAD/FM 528 23-ACRE DEVELOPMENT
PROPOSED DRAINAGE AND DETENTION FACILITIES TO SERVE CITY OF FRIENDSWOOD
GCCDD REF. NO. G240013

OVERALL LAYOUT

SURV.	BJN	DATE	11/09/2023
DSGN.	LN/JPS	DATE	02/01/2024
DWN.	DBD	DATE	02/01/2024
CHKD.	SLS	DATE	02/02/2024
APPR.	SLS	DATE	04/16/2024

JOB NO. 23-041-02

IMAGE NO. I-2304100-02

SCALE:
HORIZ. 1" = 100'
VERT. 1" = X'

SHEET 7 OF 24 SHEETS

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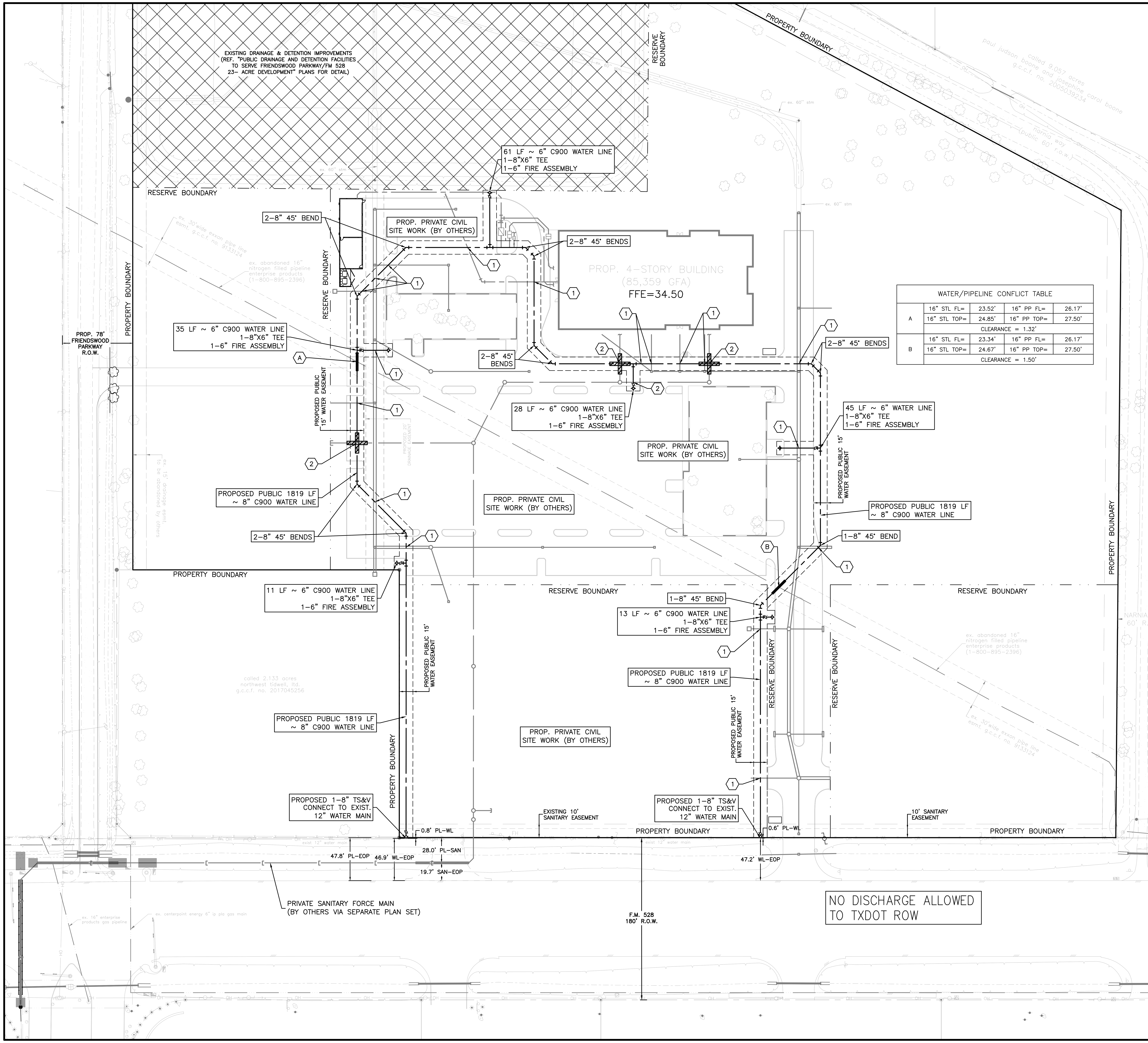

WATER/PIPELINE CONFLICT TABLE				
A	16" STL FL=	23.52'	16" PP FL=	26.17'
	16" STL TOP=	24.85'	16" PP TOP=	27.50'
	CLEARANCE = 1.32'			
B	16" STL FL=	23.34'	16" PP FL=	26.17'
	16" STL TOP=	24.67'	16" PP TOP=	27.50'
	CLEARANCE = 1.50'			

LEGEND:

- PROPERTY LINE
- RESERVE BOUNDARY
- ADJACENT PROPERTY LINE
- PROPOSED BUILDING (BY OTHERS)
- PROPOSED 6" CURB (BY OTHERS)
- PROPOSED WATER EASEMENT
- PROPOSED SANITARY LINE (BY OTHERS)
- PROPOSED WATER LINE
- PROPOSED STORM LINE
- existing storm sewer
- existing sanitary sewer
- existing water main
- existing easement
- existing overhead power
- existing fence
- existing ditch highbank
- existing ditch centerline
- existing swale
- existing edge of pavement
- existing pipeline
- existing pipeline marker
- existing power pole
- existing fire hydrant
- existing storm manhole
- existing storm inlet
- existing light standard
- existing sign
- PROPOSED STORM INLET (BY OTHERS)
- PROPOSED STORM MANHOLE (BY OTHERS)
- PROPOSED BACKFLOW PREVENTOR (BY OTHERS)
- PROPOSED WATER METER (BY OTHERS)
- PROPOSED FIRE HYDRANT
- PROPOSED GATE VALVE
- PROPOSED T.S.&V.
- PROPOSED CLEANOUT
- PROPOSED SAN. SEWER/WATERLINE CROSSING. SEE KEY NOTE 2, BELOW.
- EXISTING TREE
- EXISTING CULVERT
- EXISTING DETENTION IMPROVEMENTS

GRAPHIC SCALE IN FEET
50' 25' 0 50'

Texas 811
Know what's below. Call before you dig.
CALL BEFORE YOU DIG!
TEXAS 811 CALL PARTICIPANTS REQUEST 48 HOURS NOTICE BEFORE YOU DIG, DRILL, OR BLAST – STOP CALL
Texas 811 Call System
811 or 1-800-344-8377

WARNING:

OVERHEAD AND UNDERGROUND UTILITIES MAY EXIST IN THE VICINITY OF THIS PROJECT. LOCATIONS SHOWN FOR EXISTING UTILITIES ARE APPROXIMATE AND OTHER UTILITIES MAY EXIST IN THE VICINITY OF THE PROJECT WHICH ARE NOT SHOWN IN THE PLANS.

IT IS THE RESPONSIBILITY OF THE CONTRACTOR TO LOCATE ALL EXISTING UTILITIES IN THE VICINITY OF THE PROJECT PRIOR TO BEGINNING CONSTRUCTION.

BENCHMARK(S) / FLOODPLAIN

BENCHMARK/FLOODPLAIN:
ACCORDING TO THE FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA) FLOOD INSURANCE RATE MAP NO. 48167C0202G, EFFECTIVE DATE OF 08/15/2019, THE SURVEYED PROPERTY LIES WITHIN ZONE "X" (UNSHADED), AREAS DETERMINED TO BE OUTSIDE THE 0.2% ANNUAL CHANCE FLOODPLAIN.

SEE SHEET 3 FOR BENCHMARK NOTES.

APPR.	REVISION	DATE

NOTES:

1. PRIVATE STORM DRAINAGE PIPES AND STRUCTURES ARE PROPOSED BY OTHERS VIA SEPARATE PLAN SET.
2. PRIVATE SANITARY PIPES AND MANHOLES ARE PROPOSED BY OTHERS VIA SEPARATE PLAN SET.
3. CONTRACTOR TO FIELD VERIFY EXISTING PUBLIC 12" WATER LINE DEPTH ALONG SOUTHERN PROPERTY LINE.
4. CONTRACTOR PROPOSED PUBLIC WATER LINES IN THIS PLAN SET SHALL BE PAVED OVER IN A PRIVATE IMPROVEMENT PLAN SET BY OTHERS. A JOINTING PLAN IN THAT PLAN SET SHALL PROVIDE PROPER.
5. CONTRACTOR TO COORDINATE PUBLIC WATERLINE CONNECTION INTO PUBLIC SYSTEM WITH CITY OPERATOR PRIOR TO PROCUREMENT AND CONSTRUCTION.
6. CONTRACTOR TO ENSURE EACH FIRE HYDRANT TO SIT FLUSH WITH FINISHED GRADE AS INDICATED IN THE SEPARATE PLAN SET BY OTHERS (CONTRACTOR TO REFERENCE THAT PLAN SET FOR ELEVATION DIRECTION).
7. DRY UTILITY ROUTING, CONDUIT, DESIGN AND DETAILS ARE TO BE PERFORMED BY OTHERS. THIS INCLUDES BUT NOT LIMITED TO ELECTRICAL, GAS, AND FIBER OPTIC.
8. ALL PROPOSED ON–SITE (OUT OF EASEMENT) STORM AND SANITARY SEWER FACILITIES ARE PRIVATE AND WILL NOT BE OWNED OR MAINTAINED BY A PUBLIC AGENCY.
9. EX. ABANDONED 16" ENTERPRISE PRODUCTS (EPROD) PIPELINE SHALL NOT REQUIRE APPROVAL FOR CROSSING SINCE THE PIPELINE IS ABANDONED AND CONFIRMED BY EPROD.
10. WHEN WATER AND SEWER MAINS, SERVICES, AND LATERALS ARE INSTALLED, THEY SHALL BE INSTALLED NO CLOSER TO EACH OTHER THAN 9' IN ALL DIRECTIONS AND PARALLEL LINES MUST BE INSTALLED IN SEPARATE TRENCHES. WHERE THE 9' SEPARATION DISTANCE CANNOT BE ACHIEVED, THE FOLLOWING TCEQ CHAPTERS SHALL APPLY:
    - 10.1. TCEQ CHAPTER 217.53 PIPE DESIGN, SECTION (d) SEPARATION DISTANCES.
    - 10.2. TCEQ CH. 290.44 WATER DISTRIBUTION, SECTION (e) LOCATION OF WATERLINES.

KEY NOTES:

1. CONTRACTOR TO ENSURE 1–FT MINIMUM CLEARANCE BETWEEN STORM SEWER AND WATER LINE.
2. CONTRACTOR TO ENSURE 2–FT MINIMUM CLEARANCE BETWEEN SANITARY MAIN AND WATER LINE.

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STATE OF TEXAS
SETH LANE SAMUELSON
133489
LICENSED PROFESSIONAL ENGINEER
07/24/2024

CITY OF FRIENDSWOOD
GALVESTON COUNTY, TEXAS

910 Friendswood Drive
Friendswood, Texas 77546

GALVESTON COUNTY CONSOLIDATED DRAINAGE DISTRICT
PUBLIC WATER LINE NARNIA WAY

UTILITY PLAN

SURV.	BJN	DATE	11/09/2023
DSGN.	LN/JPS	DATE	02/01/2024
DWN.	DBD	DATE	02/01/2024
CHKD.	SLS	DATE	04/05/2024
APPR.	SLS	DATE	04/05/2024

JOB NO. 23-041-04

IMAGE NO. I-2304100-04

SCALE:
HORIZ. 1" = XX'
VERT. 1" = X'

SHEET 7 OF 12 SHEETS

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NARNIA WAY

Friendswood, Texas

FRIENDSWOOD PARKWAY ROAD EXTENSION

ODYSSEY ENGINEERING GROUP
2500 Tanglewilde Street, Suite 300
Houston, Texas 77063
t: 281.306.0240 | www.odysseyeg.com
TBPE No. F-17637

05/30/2024

Graphic Scale in Feet

50' 25' 0 50'

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FRIENDSWOOD CITY COUNCIL
AGENDA ITEM FORM

This form should be completed and forwarded to the City Manager's Office as soon as possible prior to the first date that the item is expected to be placed on the Friendswood City Council agenda.

Date requested for City Council consideration: September 23, 2024

Date submitted: 09/18/2024

Prepared by: Karen Horner, City Attorney

Subject: Consider an ordinance approving the Project Plan and Reinvestment Zone Financing Plan for Reinvestment Zone Number Two, City of Friendswood.

Originating Department: City Attorney

Degree of importance: This proposed ordinance approves the Project Plan and Reinvestment Zone Financing Plan (collectively the "Plan") for Reinvestment Zone Number Two, City of Friendswood (the "Zone"). This Plan was approved by the Zone's Board of Directors on August 26, 2024, and submitted to the City Council for approval. The Plan includes, but is not limited to, the following:

1. the estimated non-project costs;
2. the categories and locations of public improvements;
3. the estimated project and administrative costs together with the estimated timeline in which such cots costs will be incurred;
4. a feasibility study;
5. estimated bonded indebtedness;
6. the appraised value within the Zone, including the tax increment base and the estimated capture of appraised value;
7. the method of financing, including contributions from the tax increment fund established for the Zone; and
8. the duration and termination of the Zone.

SUMMARY / ORIGINATING CAUSE

This proposed ordinance approves the Project Plan and Reinvestment Zone Financing Plan (collectively the "Plan") for Reinvestment Zone Number Two, City of Friendswood (the "Zone"). This Plan was approved by the Zone's Board of Directors on August 26, 2024, and submitted to the City Council for approval. The Plan includes, but is not limited to, the following:

1. the estimated non-project costs;
2. the categories and locations of public improvements;
3. the estimated project and administrative costs together with the estimated timeline in which such cots costs will be incurred;
4. a feasibility study;
5. estimated bonded indebtedness;
6. the appraised value within the Zone, including the tax increment base and the estimated capture of appraised value;
7. the method of financing, including contributions from the tax increment fund established for the Zone; and
8. the duration and termination of the Zone.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

Staff recommends approval.

ATTACHMENTS

1. Ordinance - Approving TIRZ No. 2 Project Plan and Financing Plan
2. Exhibit A - TIRZ #2 Project Plan and Financing Plan

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FRIENDSWOOD, TEXAS, APPROVING THE PROJECT PLAN AND REINVESTMENT ZONE FINANCING PLAN FOR REINVESTMENT ZONE NUMBER TWO, CITY OF FRIENDSWOOD; CONTAINING FINDINGS AND OTHER PROVISIONS RELATED THERETO; AND PROVIDING AN EFFECTIVE DATE.

****

WHEREAS, the City Council (the "City Council") of the City of Friendswood, Texas (the "City") designated Reinvestment Zone Number Two, City of Friendswood (the "Zone"), by Ordinance No. 2024-17, passed, approved and adopted by the City Council on June 3, 2024, pursuant to Chapter 311 of the Texas Tax Code, as amended (the "Act"); and

WHEREAS, on September 23, 2024, the Board of Directors of the Zone (the "Zone Board") adopted the Project Plan and Reinvestment Zone Financing Plan for the Zone (the "Plan") and submitted it to the City Council for approval; and

WHEREAS, the Plan establishes an economic development program for the Zone for the public purposes of developing and diversifying the economy of the Zone, eliminating unemployment and underemployment in the Zone, and developing or expanding transportation, business, and commercial activity in the Zone pursuant to Section 311.010(h) of the Act; and

WHEREAS, before the Zone Board may implement the Plan, the City Council must approve the Plan, which, in part, relates to the development or improvement of a street, namely, the extension of Friendswood Parkway within the boundaries of the Zone; and

WHEREAS, the City Council has reviewed the Plan and desires to confirm the designation of the Zone and approve the Plan, and the establishment of an economic development program for the Zone therein, in order to facilitate development or redevelopment in the Zone by financing the costs of public works, public improvements, programs, and other projects benefiting the Zone, plus other costs incidental to those expenditures, all of which costs are authorized by the Act; NOW THEREFORE,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FRIENDSWOOD, STATE OF TEXAS:

Section 1. The recitations, facts, and findings contained in the recitals to this Ordinance are hereby found and declared to be true and correct and are incorporated and adopted as part of this Ordinance for all purposes. The definitions of terms contained in the recitals to this Ordinance are hereby incorporated and made part of this Ordinance.

Section 2. The Plan attached hereto as Exhibit "A" is hereby found to be economically feasible and is approved. The appropriate officials of the City are authorized to take all steps reasonably necessary to implement the Plan.

Section 3. This ordinance shall take effect immediately upon its adoption and publication in accordance with and as provided by law.

INTRODUCED, READ AND PASSED on first and final reading by the affirmative vote of the City Council of the City of Friendswood on this the 23rd day of September, 2024.

____

MIKE FOREMAN, Mayor

ATTEST:

____

LETICIA BRYSCH, City Secretary

APPROVED AS TO FORM:

____

KAREN L. HORNER, City Attorney

H:\City Council\Ordinances\2024\09-23-2024\Ordinance - Approving TIRZ No. 2 Project Plan.docx

REINVESTMENT ZONE NUMBER TWO, CITY OF FRIENDSWOOD PROJECT AND REINVESTMENT ZONE FINANCING PLAN

SEPTEMBER 23, 2024

TABLE OF CONTENTS

SECTION 1: DEFINITIONS

Capitalized terms used in this Final Plan (as that term is defined herein) shall have the meanings given to them in **Section I** below unless otherwise defined in this Final Plan or unless the context in which a term is used clearly requires a different meaning. Unless otherwise defined, a reference to a "Section," or an "Exhibit," shall be a reference to a Section of this Final Plan or an Exhibit or Appendix attached to and made a part of this Final Plan for all purposes.

"**Act**" means Chapter 311, Texas Tax Code, Tax Increment Financing Act, as amended.

"**Administrative Costs**" means the actual, direct costs paid or incurred by or on behalf of the City to administer the Zone, including planning, engineering, legal services, organizational costs, publicizing costs, or implementations costs paid by or on behalf of the City that are directly related to the administration of the Zone.

"Appraisal District" means the Galveston Central Appraisal District.

"**Board**" means the Board of Directors of the Zone.

"**Captured Appraised Value**" means the new taxable value generated in addition to the Tax Increment Base on a parcel-by-parcel basis for each year during the term of the Zone, as calculated and confirmed annually by the Appraisal District.

"**City**" means the City of Friendswood, Texas.

"**City Council**" means the governing body of the City.

"**City TIRZ Increment**" means one hundred percent (100%) of the City's ad valorem real property taxes collected and received by the City on the Captured Appraised Value in the Zone and deposited into the TIRZ Fund.

"**Designation Ordinance**" means Ordinance No. 2024-17, adopted by the City Council on June 3, 2024.

"**Feasibility Study**" means the economic feasibility study as evaluated over the term of the Zone and focused only on direct financial benefits, as shown on **Exhibit E**.

"Final Plan" means this Project Plan and Reinvestment Zone Financing Plan for the Zone.

"Non-Project Costs" means those certain costs that are incurred or expended by third parties to develop projects that benefit the Zone, but will not be financed by the Zone, as described in **Section 6**, and shown on **Exhibit B**.

"**Project Costs**" means the total costs for projects in the Zone, including the actual costs of financing the Public Improvements and the Administrative Costs.

"**Property**" means the 326.52 acres of land within the boundaries of the Zone, as depicted on **Exhibit A** and identified by parcel number on **Exhibit H**.

"**Public Improvements**" means the proposed public improvements to be financed by the Zone, which includes streets, detention, water, sanitary sewer, sanitary lift stations, clearing and grubbing, earthwork, paving and grading, landscaping, intersection signalization, storm drainage, street lights, and a public fire water loop, as detailed on **Exhibit C** and depicted on **Exhibit G**.

"**Tax Increment Base**" means total appraised value of taxable real property in the Zone at the time of designation of the Zone, as calculated and certified by the Appraisal District.

"**TIRZ Fund**" means the tax increment fund created and established by the City for the Zone and segregated from all other funds of the City.

"**Zone**" means the Reinvestment Zone Number Two, City of Friendswood, Texas.

SECTION 2: INTRODUCTION

2.1 Authority and Purpose

The Zone was designated by the City Council on June 3, 2024, pursuant to the Designation Ordinance, in an area within the corporate limits of the City covering 326.52 contiguous acres.

The purpose of the Zone is to facilitate such development or redevelopment by financing the costs of public works, public improvements, programs, and other projects benefiting the Zone, plus other costs incidental to those expenditures, all of which costs are authorized by the Act.

2.2 Zone

The Zone is located within the corporate limits of the City. The Property within the Zone is predominately open and undeveloped; and, because of the following factors, the sound growth of the City is substantially impaired or arrested: (i) the lack of public infrastructure, including, but not limited to, the absence of an adequate roadway network, the absence of a regional lift station, and the insufficiency of existing force main and water lines, which cause water pressure issues during peak demand; and (ii) the barriers to development presented by the former use of portions of the Property as an oil field.

Various corporations and developers have studied the Property within the Zone for possible development, including, but not limited to, the national supermarket chain Kroger, the multinational retailer Walmart, and the global real estate development company Hines, but none of these corporations or developers has pursued the development of the area within the Zone due to factors including the lack of public infrastructure and the substantial cost to construct the same, as well as barriers to development presented by the former use of portions of the Property within the Zone as an oil field.

Due to its size, location, and physical characteristics, including the lack of public infrastructure and the barriers to development presented by the former use of portions of the Property as an oil field, and due to the substantial cost to construct the necessary public infrastructure, development of the Property within the Zone will not occur solely through private investment in the foreseeable future. Because of the aforementioned characteristics, economic incentives are necessary to attract development for the purpose of providing long-term economic benefits, including, but not limited to, an increased real property tax base for all taxing units in the Zone.

2.3 Goals

Goal 1: Infrastructure Improvements

The construction of public infrastructure within the Zone is required to create an environment that will stimulate private investment in retail, residential, office and commercial developments.

If the Public Improvements are financed as contemplated by this Final Plan, the Property can be developed to take full advantage of the opportunity to bring to the City a quality development that offers a corresponding increase in the tax base and creates economic opportunity.

Goal 2: Economic Development

In addition to direct investment in capital improvements to public infrastructure or investment in public infrastructure to stimulate private investment, the Board hereby establishes and provides for the administration of an economic development program to incentivize private enterprise in the Zone and serve as a catalyst for other business developments pursuant to Section 311.010(h) of the Act and Chapter 380 of the Texas Local Government Code. The Zone's economic development program may include making grants and loans from the TIRZ Fund in an aggregate amount not to exceed the amount of City TIRZ Increment paid into the TIRZ Fund for activities that benefit the Zone and stimulate business and commercial activity in the Zone and may also be paired with other financing mechanisms as approved by the City Council.

SECTION 3: DESCRIPTION AND MAPS

3.1 Existing and Proposed Uses of Land (Section 311.011(b)(1) of the Act)

The Property within the Zone is currently zoned Commercial Shopping Center and Single Family Residential and is intended to be developed with commercial and residential uses. Portions of the Property were formerly used as an oil field, which creates barriers to development. The Property is undeveloped, and there is limited public infrastructure to support development, including, but not limited to, the absence of an adequate roadway network, the absence of a regional lift station, and the insufficiency of existing force main and water lines, which cause water pressure issues during peak demand. Development requires extensive public infrastructure that (1) the City can not provide, and (2) will not be provided solely through private investment in the reasonably foreseeable future. The proposed uses of the Property include retail, commercial, office, and single family residential development. Existing and proposed uses of the Property within the Zone are shown on **Exhibit F**.

SECTION 4: PROPOSED CHANGES TO ORDINANCES, PLANS, CODES, RULES, AND REGULATIONS

4.1 Proposed Changes of Zoning Ordinances, Master Plan of Municipality, Building Codes, and Other Municipal Ordinances (Section 311.011(b)(2) of the Act)

The Property within the Zone is wholly located in the corporate limits of the City and shall be subject to the City's zoning regulations. The Property is currently zoned as Commercial Shopping Center and Single Family Residential. The City has jurisdiction over the subdivision and platting of the Property and the design, construction, installation, and inspection of water, sewer, drainage, roadway, and other public infrastructure. No proposed changes to zoning ordinances, comprehensive plan, building codes, subdivision rules, or other municipal ordinances are planned.

SECTION 5: RELOCATION OF DISPLACED PERSONS

5.1 Method of Relocating Persons to be Displaced, if any, as a result of implementing the Project Plan (Section 311.011(b)(4) of the Act)

No person shall be displaced due to the implementation of the Final Plan.

SECTION 6: ESTIMATED NON-PROJECT COSTS

6.1 Estimated Non-Project Costs (Section 311.011(b)(3) of the Act)

Non-Project Costs are costs that will be incurred or expended by third parties for development of projects that benefit the Zone, but will not be financed by the Zone. Non-Project Costs will be derived from other funding sources, including private funds. The list of Non-Project Costs, the total cost of which is estimated to be to be approximately $516,279,621, is shown on **Exhibit B**.

SECTION 7: PROPOSED PUBLIC IMPROVEMENTS

7.1 Proposed Kind, Number and Location of all Proposed Public Works or Public Improvements to be Financed by the Zone (Section 311.011(c)(2) of the Act)

The Public Improvements include streets, detention, water, sanitary sewer, sanitary lift stations, clearing and grubbing, earthwork, paving and grading, landscaping, intersection signalization, storm drainage, street lights and a public fire water loop. All Public Improvements shall be designed and constructed in accordance with all applicable City standards and subject to inspection, approval and acceptance by the City. The locations of the proposed Public Improvements are depicted on **Exhibit G**.

SECTION 8: ESTIMATED PROJECT COSTS

8.1 Estimated Project Costs (Section 311.011(c)(1) of the Act)

The estimated Project Costs for the Zone are detailed on **Exhibit C** and include the Administrative Costs. The dollar amounts set forth in **Exhibit C** are approximate and may be amended from time to time by the Board with the approval of the City Council consistent with state law. The Project Costs are estimated to be $99,732,813.

8.2 Administrative Costs

The Administrative Costs are estimated to be $4,711,815. The Administrative Costs shall be paid each year from the TIRZ Fund before any other Project Costs are paid. The estimated Administrative Costs are the costs over the life of the TIRZ and can only be paid if there are available funds.

8.3 Estimated Time When Related Costs or Monetary Obligations Incurred (Section 311.011(c)(5) of the Act)

The Administrative Costs will be incurred annually throughout the duration of the Zone. It is estimated that the other Project Costs set forth in **Exhibit C** will be incurred between 2025 and 2030, as shown on **Exhibit D**.

SECTION 9: ECONOMIC FEASIBILITY

9.1 Economic Feasibility (Section 311.011(c)(3) of the Act)

The Feasibility Study for the Zone was prepared in May 2024 by P3Works, LLC with data provided by the City and the prospective developers of the Property within the Zone and is attached as **Exhibit E**. The Feasibility Study focuses on only direct financial benefits (i.e. ad valorem tax revenues generated from development within the Zone). Based on the Feasibility Study, during the term of the Zone, new development, which would not occur solely through private investment in the reasonably foreseeable future, will generate approximately $105,343,542 in total new real property tax revenue for the City over the remaining term of the Zone.

Approximately $105,343,542 in City TIRZ Increment will be deposited into the TIRZ Fund to pay for Project Costs over the remaining term of the Zone. The cumulative City TIRZ Increment as shown in the Feasibility Study revenue schedule set forth in **Exhibit E** exceeds the estimated Project Costs and will be generated in amounts sufficient to fund the Project Costs as and when such Project Costs are incurred during the term of the Zone. The remainder of the new City real property tax revenue generated within the Zone and retained by the City is estimated to be $0 over the term of the Zone.

Based on the foregoing, the economic feasibility of the Zone has been demonstrated. The Board and the City find and determine that the Final Plan is economically feasible.

SECTION 10: ESTIMATED BONDED INDEBTEDNESS

10.1 Estimated Amount of Bonded Indebtedness (Section 311.011(c)(4) of the Act)

Issuance of notes and bonds by or on behalf of the Zone may occur as tax increment revenues allow. The value and timing of the issuance of notes or bonds will correlate to debt capacity as derived from the revenue schedule set forth in **Exhibit E**, as well as actual market conditions for the issue and sale of such notes and bonds.

SECTION 11: APPRAISED VALUE

11.1 Current Total Appraised Value of Taxable Real Property (Section 311.011(c)(7) of the Act)

The Tax Increment Base is estimated to be $7,301,156 and shall be confirmed by the Appraisal District. Each year, the Appraisal District shall confirm the Captured Appraised Value of the Zone.

11.2 Estimated Captured Appraised Value During Each Year of Existence (Section 311.011(c)(8) of the Act)

The estimated Captured Appraised Value for the duration of the Zone is set forth in **Exhibit E**. It is estimated that upon expiration of the term of the Zone, the total Captured Appraised Value of taxable real property in the Zone will be approximately $937,591,533, as shown on **Exhibit E**. The actual Captured Appraised Value, as certified by the Appraisal District each year, will be used to calculate the annual payments by the City into the TIRZ Fund.

SECTION 12: METHOD OF FINANCING

12.1 Methods and Sources of Financing Project Costs and Percentage of Increment from Taxing Units Anticipated to Contribute Tax Increment to the Zone (Section 311.011(c)(6) of the Act)

Tax increment will consist of contributions from the City. The City will deposit into the TIRZ Fund each year the City Tax Increment, which is 100% of the City's ad valorem real property taxes collected and received by the City on the Captured Appraised Value in the Zone. For example, in tax year 2024, the City's ad valorem tax rate is $0.500728 per $100 of taxable value, so the City would contribute $0.500728 per $100 of the Captured Appraised Value in the Zone levied and collected to the TIRZ Fund.

The City Tax Increment deposited into the TIRZ Fund shall be prioritized and allocated on a parcel by parcel basis as follows:

1. For Administrative Costs; then
2. For the annual payments of debt service of any tax increment bonds issued to fund the Public Improvements; then
3. To be used in any other manner authorized by the City Council and as allowed pursuant to the Act, including for payments by the City to any third party for Project Costs under an agreement entered into pursuant to Section 311.010(b) of

the Act and, if and as applicable, Chapter 372, Texas Local Government Code, and Chapter 380, Texas Local Government Code; then

4. To the extent there are TIRZ Fund revenues remaining, any excess TIRZ Fund revenues may be utilized in any other manner as authorized by the City Council and allowed pursuant to the Act.

All payments of Project Costs shall be made solely from the TIRZ Fund and from no other funds of the City, unless otherwise approved by the City Council.

SECTION 13: DURATION OF THE ZONE, TERMINATION

13.1 Zone Duration (Section 311.011(c)(9) of the Act)

The stated term of the Zone shall commence upon the execution of the Designation Ordinance and shall continue until December 31, 2054, with the last payment being due by January 31, 2055, unless otherwise terminated in accordance with the Designation Ordinance. If upon expiration of the stated term of the Zone, the obligations of the Zone have not been fully funded by the TIRZ Fund, the City shall have no obligation to pay the shortfall and the term shall not be extended. Nothing in this Section is intended to prevent the City from extending the term of the Zone in accordance with the Act upon approval of the City Council.

LIST OF EXHIBITS

Unless otherwise stated, all references to "Exhibits" contained in this Final Plan shall mean and refer to the following exhibits, all of which are attached to and made a part of this Final Plan for all purposes.

Exhibit A	Map of the Zone
Exhibit B	Non-Project Costs
Exhibit C	Project Costs
Exhibit D	Estimated Timeline of Incurred Costs
Exhibit E	Feasibility Study
Exhibit F	Existing and Proposed Uses of the Property
Exhibit G	Map of the Public Improvements
Exhibit H	Parcel Identification

EXHIBIT A – MAP OF THE ZONE

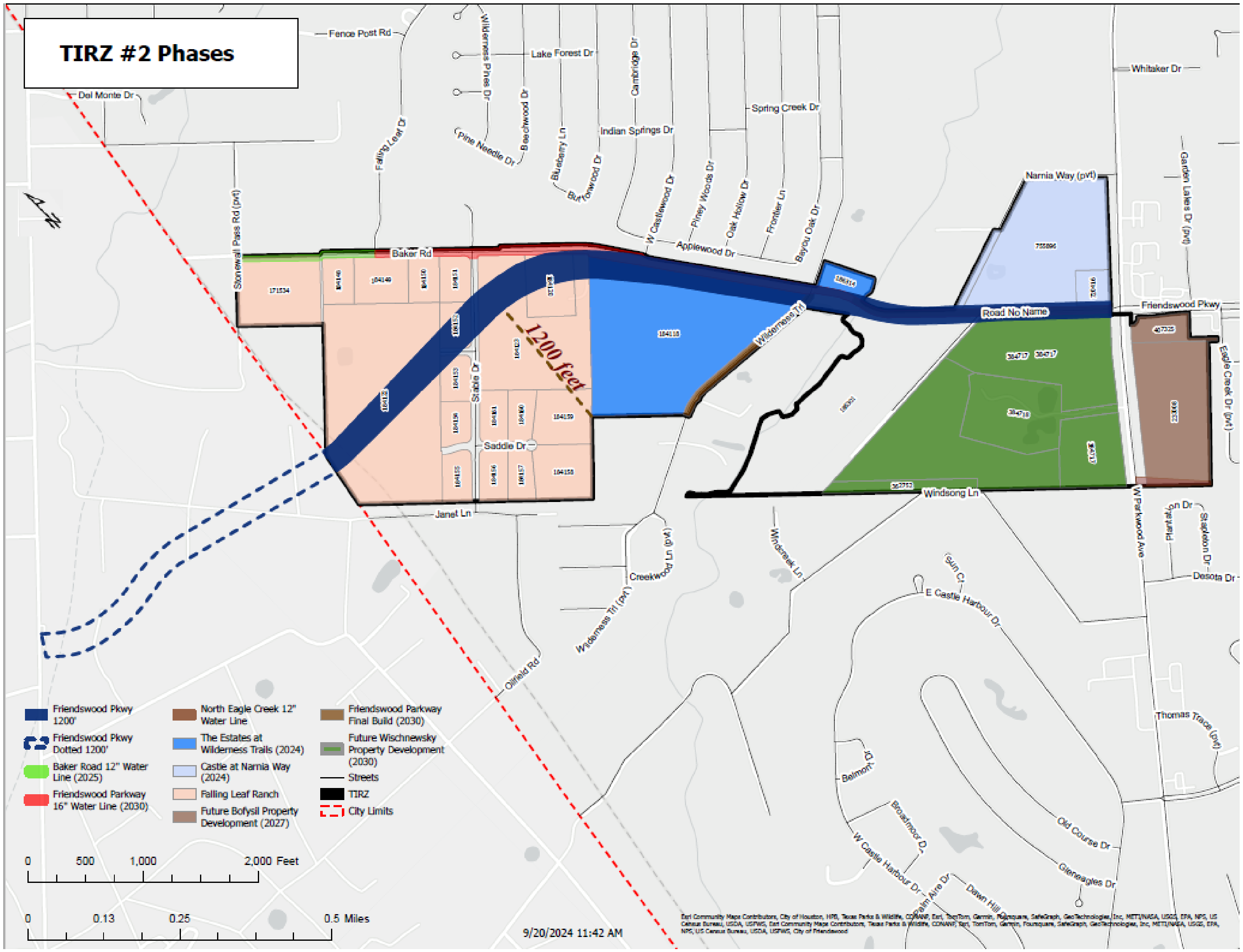


EXHIBIT B – NON-PROJECT COSTS

Lot Type	Units/ Sq. Ft.	Lot Value[a] Per Unit	Lot Value[a] Total	Buildout Value[a] Per Unit	Buildout Value[a] Total	Non-Project Costs
Future Wischnewsky Property						
Commercial	300,000	$ 28	$ 8,400,000	$ 618	$ 185,400,000	$ 177,000,000
Single Family	30	$ 450,000	$ 13,500,000	$ 2,000,000	$ 60,000,000	$ 46,500,000
Subtotal	300,030					$ 223,500,000
Future Bofysil Property						
Single Family	60	$ 70,000	$ 4,200,000	$ 400,000	$ 24,000,000	$ 19,800,000
Commercial	75,000	$ 28	$ 2,100,000	$ 618	$ 46,350,000	$ 44,250,000
Subtotal	75,060					$ 64,050,000
Falling Leaf Ranch						
Single Family	37	$ 450,000	$ 16,650,000	$ 2,000,000	$ 74,000,000	$ 57,350,000
Subtotal	37					$ 57,350,000
The Estates at Wildnerness Trails						
Single Family	41	$ 450,000	$ 18,450,000	$ 2,000,000	$ 82,000,000	$ 63,550,000
Subtotal	41					$ 63,550,000
Castle Biosciences						
Commercial	80,000	$ 28	$ 2,240,000	$ 618	$ 49,440,000	$ 47,200,000
Retail	30,000	$ 124	$ 3,710,379	$ 550	$ 16,500,000	$ 12,789,621
Office	80,000	$ 20	$ 1,600,000	$ 618	$ 49,440,000	$ 47,840,000
Subtotal	190,000					$ 107,829,621
Total	**565,168**					**$ 516,279,621**

Footnotes:

[a] Values and Units/Sq. Ft. as provided by the City and Developer on April 29, 2024 and May 3, 2024. May not be representative of this area or this development.

EXHIBIT C – PROJECT COSTS

Reinvestment Zone Number Two, City of Friendswood, Texas Project Costs		
Item		**Cost**
City Public Improvements[a]		
Baker Road 12" Water Line	$	2,744,712
Friendswood Parkway 16" Water Line	$	10,836,619
Friendswood Parkway	$	7,074,373
North Eagle Creek 12" Water Line	$	1,372,356
Site Mitigation Plan	$	75,000
Subtotal	**$**	**22,103,060**
The Estates at Wilderness Trails[a]		
Site Preparation	$	660,615
Friendswood Parkway	$	1,904,897
Clearing, Grubbing & Demolition	$	100,496
Earthwork, Paving & Grading	$	1,917,508
Water Distribution System	$	1,268,400
Storm Drainage	$	570,000
Detention	$	439,669
Sanitary Sewer System	$	2,736,810
Sanitary Lift Station	$	1,600,000
Striping & Signage	$	100,000
Street Lights	$	50,000
Contingency	$	2,252,241
Soft Costs	$	2,765,499
Subtotal	**$**	**16,366,135**
Falling Leaf Ranch[a]		
Site Preparation	$	777,194
Friendswood Parkway	$	3,081,466
Clearing, Grubbing & Demolition	$	150,744
Earthwork, Paving & Grading	$	2,739,298
Water Distribution System	$	2,265,000
Storm Drainage	$	883,500
Detention	$	681,488
Sanitary Sewer System	$	4,045,719
Striping & Signage	$	100,000
Street Lights	$	50,000
Contingency	$	2,943,724
Soft Costs	$	3,626,684
Subtotal	**$**	**21,344,817**
Future Bofysil Property[a]		
Site Preparation	$	738,334
Clearing, Grubbing & Demolition	$	50,248
Earthwork, Paving & Grading	$	913,099
Water Distribution System	$	453,000
Storm Drainage	$	313,500
Detention	$	241,818
Sanitary Sewer System	$	1,665,884
Contingency	$	881,458
Soft Costs	$	1,089,154
Subtotal	**$**	**6,346,495**

Reinvestment Zone Number Two, City of Friendswood, Texas Project Costs		
Item		**Cost**
Future Wischnewsky Property[a]		
Site Preparation	$	777,194
Friendswood Parkway	$	7,493,597
Clearing, Grubbing & Demolition	$	125,620
Earthwork, Paving & Grading	$	2,374,058
Water Distribution System	$	1,812,000
Storm Drainage	$	741,000
Detention	$	571,570
Sanitary Sewer System	$	3,450,760
Sanitary Lift Station	$	1,600,000
Striping & Signage	$	100,000
Street Lights	$	50,000
Contingency	$	3,804,862
Soft Costs	$	4,644,347
Subtotal	**$**	**27,545,008**
Castle Biosciences Projects[b]		
Clearing, Grubbing & Site Preparation	$	216,040
Land	$	1,702,216
Landscaping	$	44,804
Public Fire Loop	$	258,500
Public Storm Water Collection System	$	657,800
Detention Basin	$	627,520
Friendswood Parkway Road Extension	$	1,148,222
Financing Costs	$	609,501
Soft Costs	$	762,694
Subtotal	**$**	**6,027,298**
Subtotal Public Improvements[a]	**$**	**99,732,813**
Administrative Costs	**$**	**4,711,815**
Total Project Costs	**$**	**104,444,628**

Footnotes:

[a] As identified by the City, based on the City Engineer's Opinion of Probable Cost in May 2024.
[b] As provided by the Developer on August 8, 2024.

EXHIBIT D – ESTIMATED TIMELINE OF INCURRED COSTS

Reinvestment Zone Number Two, City of Friendswood, Texas
Timeline to Incur Project Costs

Zone Year	Calendar Year	City Project Costs		The Estates at Wilderness Trail		Falling Leaf Ranch		Future Bofysil Property		Future Wischnewsky Property		Castle Bioscience at Narnia Way		Total Project Costs[a]	
		Annual	Cumulative	Annual	Cumulative	Annual	Cumulative	Annual	Cumulative	Annual	Cumulative	Annual	Cumulative	Annual	Cumulative
Base	2024	$ -	$ -	$ 16,366,135	$ 16,366,135	$ -	$ -	$ -	$ -	$ -	$ -	$ 3,966,271	$ 3,966,271	$ 20,332,406	$ 20,332,406
1	2025	$ 2,819,712	$ 2,819,712	$ -	$ 16,366,135	$ 21,344,817	$ 21,344,817	$ -	$ -	$ -	$ -	$ 485,294	$ 4,451,565	$ 24,649,823	44,982,229
2	2026	$ -	$ 2,819,712	$ -	$ 16,366,135	$ -	$ 21,344,817	$ -	$ -	$ -	$ -	$ 966,232	$ 5,417,797	$ 966,232	45,948,461
3	2027	$ -	$ 2,819,712	$ -	$ 16,366,135	$ -	$ 21,344,817	$ 6,346,495	$ 6,346,495	$ -	$ -	$ 216,712	$ 5,634,509	$ 6,563,207	52,511,668
4	2028	$ -	$ 2,819,712	$ -	$ 16,366,135	$ -	$ 21,344,817	$ -	$ 6,346,495	$ -	$ -	$ 159,699	$ 5,794,208	$ 159,699	52,671,367
5	2029	$ -	$ 2,819,712	$ -	$ 16,366,135	$ -	$ 21,344,817	$ -	$ 6,346,495	$ -	$ -	$ 131,088	$ 5,925,296	$ 131,088	52,802,455
6	2030	$ 19,283,348	$ 22,103,060	$ -	$ 16,366,135	$ -	$ 21,344,817	$ -	$ 6,346,495	$ 27,545,008	$ 27,545,008	$ 102,002	$ 6,027,298	$ 46,930,358	99,732,813
Total		**$ 22,103,060**		**$ 16,366,135**		**$ 21,344,817**		**$ 6,346,495**		**$ 27,545,008**		**$ 6,027,298**		**$ 99,732,813**	

Footnotes:

[a] Does not illustrate Administrative Costs, which shall be incurred annually for the duration of the Zone.

EXHIBIT E – FEASIBILITY STUDY

As set forth in the revenue schedule below, during the term of the Zone, City TIRZ Increment will be generated in amounts sufficient to fund the Project Costs set forth in Exhibit C as and when such Project Costs are incurred.

Reinvestment Zone Number Two, City of Friendswood, Texas
Feasibility Study

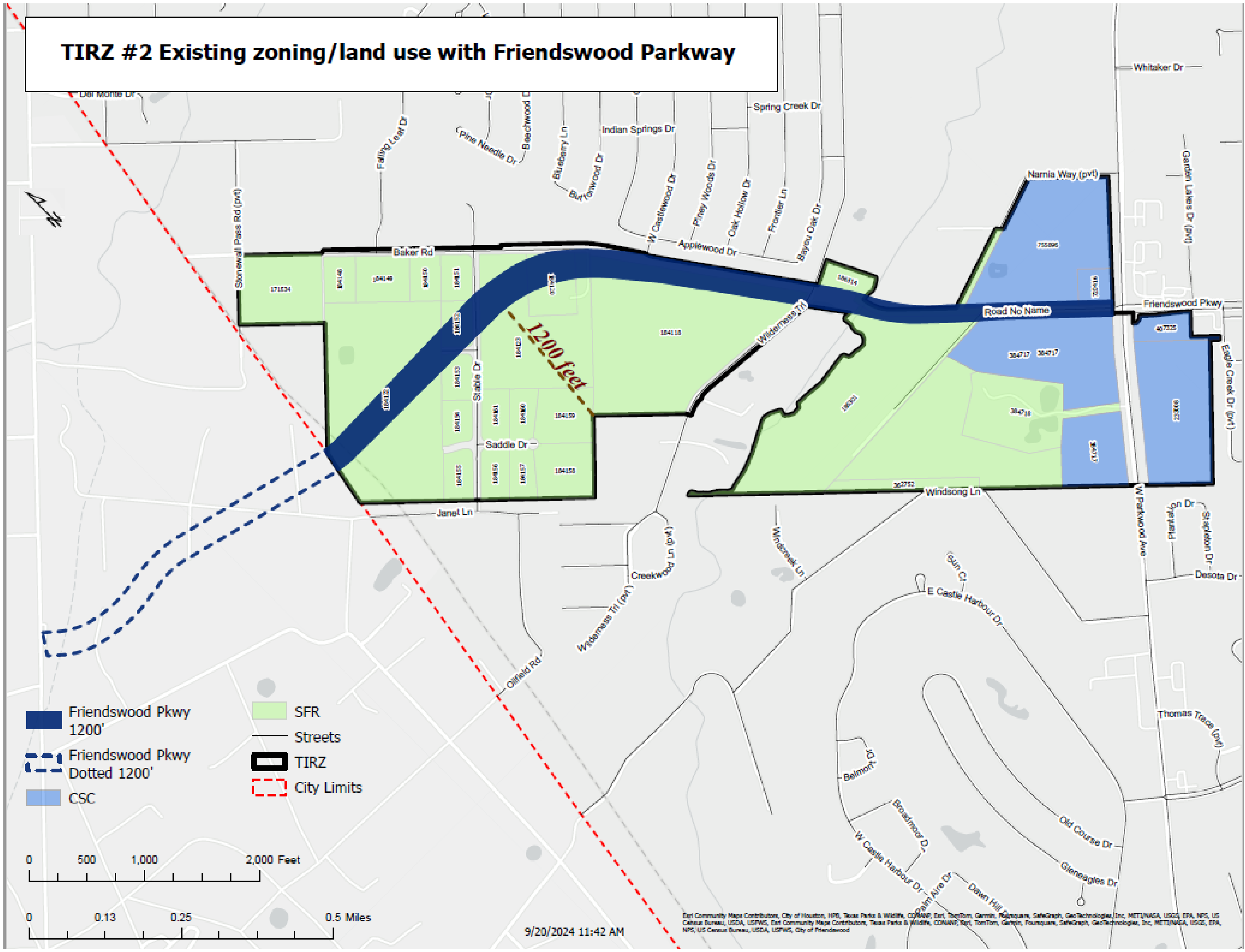
Zone Year	Tax Year	Growth/ Year[a]	Added Development Value[b]	New Taxable Value	Incremental Value	City Gross New Revenue		TIRZ Fund Contribution			City Retained New Revenue	
						Annual	Cumulative	%	Annual	Cumulative	Annual	Cumulative
Base	2024			$ 7,303,156								
1	2025	2.0%	$ 82,000,000	$ 89,449,219	$ 82,146,063	$ -	$ -	100%	$ -	$ -	$ -	$ -
2	2026	2.0%	$ 326,234,862	$ 417,473,066	$ 410,169,910	$ 411,328	$ 411,328	100%	$ 411,328	$ 411,328	$ -	$ -
3	2027	2.0%	$ 144,555,153	$ 570,377,680	$ 563,074,524	$ 2,053,836	$ 2,465,164	100%	$ 2,053,836	$ 2,465,164	$ -	$ -
4	2028	2.0%	$ 49,186,991	$ 630,972,224	$ 623,669,068	$ 2,819,472	$ 5,284,636	100%	$ 2,819,472	$ 5,284,636	$ -	$ -
5	2029	2.0%	$ -	$ 643,591,668	$ 636,288,512	$ 3,122,886	$ 8,407,521	100%	$ 3,122,886	$ 8,407,521	$ -	$ -
6	2030	2.0%	$ -	$ 656,463,502	$ 649,160,346	$ 3,186,075	$ 11,593,596	100%	$ 3,186,075	$ 11,593,596	$ -	$ -
7	2031	2.0%	$ -	$ 669,592,772	$ 662,289,616	$ 3,250,528	$ 14,844,124	100%	$ 3,250,528	$ 14,844,124	$ -	$ -
8	2032	2.0%	$ -	$ 682,984,627	$ 675,681,471	$ 3,316,270	$ 18,160,393	100%	$ 3,316,270	$ 18,160,393	$ -	$ -
9	2033	0.0%	$ -	$ 682,984,627	$ 675,681,471	$ 3,383,326	$ 21,543,720	100%	$ 3,383,326	$ 21,543,720	$ -	$ -
10	2034	0.0%	$ -	$ 682,984,627	$ 675,681,471	$ 3,383,326	$ 24,927,046	100%	$ 3,383,326	$ 24,927,046	$ -	$ -
11	2035	2.0%	$ -	$ 696,644,320	$ 689,341,164	$ 3,383,326	$ 28,310,372	100%	$ 3,383,326	$ 28,310,372	$ -	$ -
12	2036	2.0%	$ -	$ 710,577,206	$ 703,274,050	$ 3,451,724	$ 31,762,096	100%	$ 3,451,724	$ 31,762,096	$ -	$ -
13	2037	2.0%	$ -	$ 724,788,750	$ 717,485,594	$ 3,521,490	$ 35,283,587	100%	$ 3,521,490	$ 35,283,587	$ -	$ -
14	2038	2.0%	$ -	$ 739,284,525	$ 731,981,369	$ 3,592,651	$ 38,876,238	100%	$ 3,592,651	$ 38,876,238	$ -	$ -
15	2039	2.0%	$ -	$ 754,070,216	$ 746,767,060	$ 3,665,236	$ 42,541,473	100%	$ 3,665,236	$ 42,541,473	$ -	$ -
16	2040	2.0%	$ -	$ 769,151,620	$ 761,848,464	$ 3,739,272	$ 46,280,745	100%	$ 3,739,272	$ 46,280,745	$ -	$ -
17	2041	2.0%	$ -	$ 784,534,653	$ 777,231,497	$ 3,814,789	$ 50,095,534	100%	$ 3,814,789	$ 50,095,534	$ -	$ -
18	2042	2.0%	$ -	$ 800,225,346	$ 792,922,190	$ 3,891,816	$ 53,987,350	100%	$ 3,891,816	$ 53,987,350	$ -	$ -
19	2043	0.0%	$ -	$ 800,225,346	$ 792,922,190	$ 3,970,383	$ 57,957,733	100%	$ 3,970,383	$ 57,957,733	$ -	$ -
20	2044	0.0%	$ -	$ 800,225,346	$ 792,922,190	$ 3,970,383	$ 61,928,116	100%	$ 3,970,383	$ 61,928,116	$ -	$ -
21	2045	2.0%	$ -	$ 816,229,853	$ 808,926,697	$ 3,970,383	$ 65,898,500	100%	$ 3,970,383	$ 65,898,500	$ -	$ -
22	2046	2.0%	$ -	$ 832,554,450	$ 825,251,294	$ 4,050,522	$ 69,949,022	100%	$ 4,050,522	$ 69,949,022	$ -	$ -
23	2047	2.0%	$ -	$ 849,205,539	$ 841,902,383	$ 4,132,264	$ 74,081,287	100%	$ 4,132,264	$ 74,081,287	$ -	$ -
24	2048	2.0%	$ -	$ 866,189,649	$ 858,886,493	$ 4,215,641	$ 78,296,928	100%	$ 4,215,641	$ 78,296,928	$ -	$ -
25	2049	2.0%	$ -	$ 883,513,442	$ 876,210,286	$ 4,300,685	$ 82,597,613	100%	$ 4,300,685	$ 82,597,613	$ -	$ -
26	2050	2.0%	$ -	$ 901,183,711	$ 893,880,555	$ 4,387,430	$ 86,985,043	100%	$ 4,387,430	$ 86,985,043	$ -	$ -
27	2051	2.0%	$ -	$ 919,207,385	$ 911,904,229	$ 4,475,910	$ 91,460,953	100%	$ 4,475,910	$ 91,460,953	$ -	$ -
28	2052	2.0%	$ -	$ 937,591,533	$ 930,288,377	$ 4,566,160	$ 96,027,113	100%	$ 4,566,160	$ 96,027,113	$ -	$ -
29	2053	0.0%	$ -	$ 937,591,533	$ 930,288,377	$ 4,658,214	$100,685,327	100%	$ 4,658,214	$ 100,685,327	$ -	$ -
30	2054	0.0%	$ -	$ 937,591,533	$ 930,288,377	$ 4,658,214	$105,343,542	100%	$ 4,658,214	$ 105,343,542	$ -	$ -
Total			$ 601,977,006			$105,343,542			105,343,542		-	

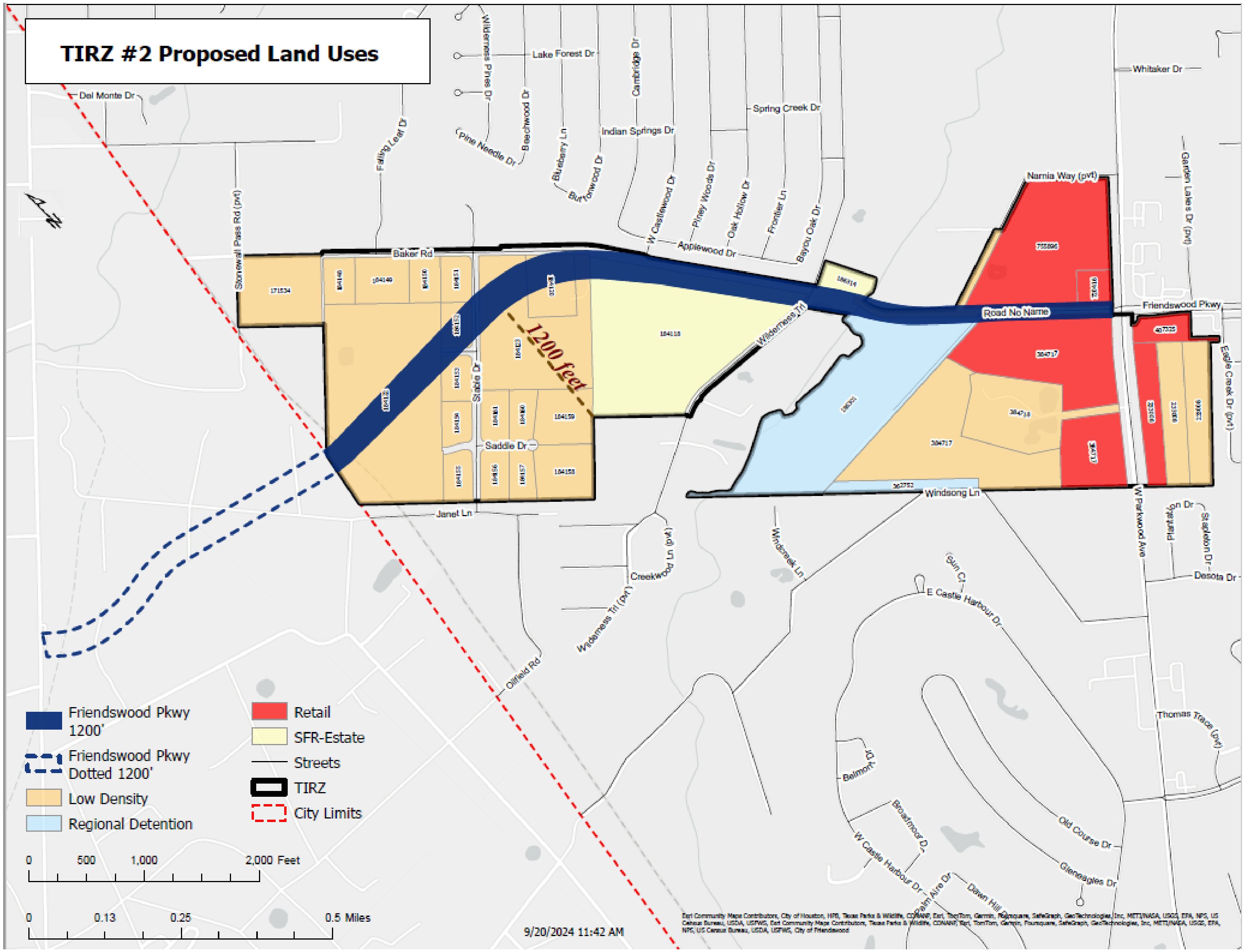
Assumptions	
Base Taxable Value[c]	7,303,156.00
City AV Rate	0.5007

Footnotes

[a] Values increased at 2% annually, with two years of no growth each decade to simulate an economic downturn.
[b] Based on project development data as provided by the City and Developers on May 13, 2024 and August 14, 2024.
[c] As provided by the Appraisal District.

EXHIBIT F – PROPOSED AND EXISTING USES OF THE PROPERTY





TIRZ #2 Proposed Land Uses
1200 feet
Friendswood Pkwy 1200'
Friendswood Pkwy Dotted 1200'
Low Density
Regional Detention
Retail
SFR-Estate
Streets
TIRZ
City Limits
0
500
1,000
2,000 Feet
0
0.13
0.25
0.5 Miles
9/20/2024 11:42 AM

EXHIBIT G – MAP OF THE PUBLIC IMPROVEMENTS

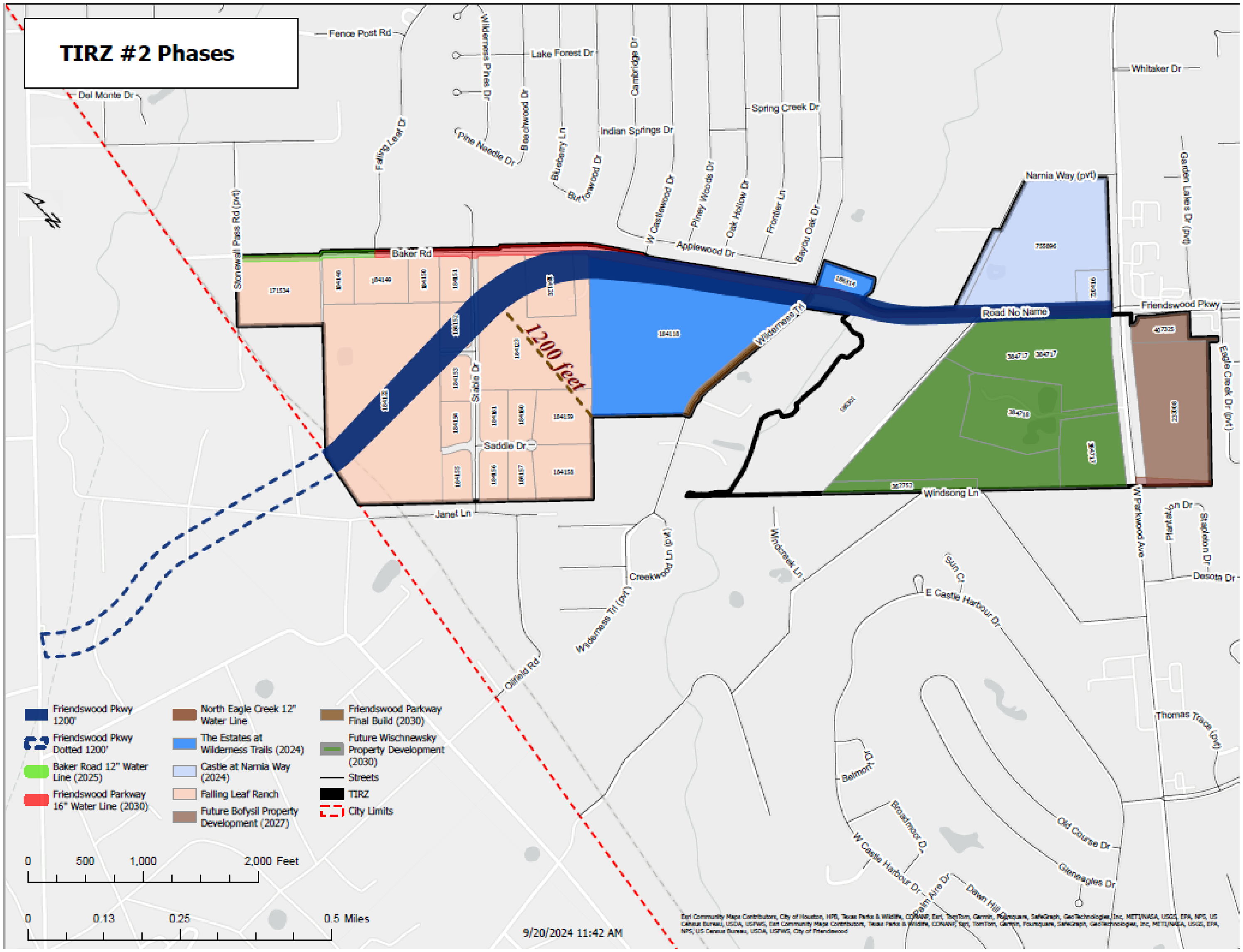


EXHIBIT H – PARCEL IDENTIFICATION

Property ID	Taxable Value	Acreage
384718	$ 1,531,000	12.26
362752	$ -	3.000
384717	$ 3,920	49.02
186301	$ -	33.02
186314	$ -	2.13
184158	$ 66,090	5.51
184157	$ 27,680	2.31
184156	$ 30,730	2.56
184159	$ 66,210	5.52
184155	$ 30,910	2.58
184160	$ 27,860	2.32
184161	$ 30,190	2.52
184154	$ 27,910	2.33
184118	$ 2,951,940	38.44
184153	$ 29,800	2.48
184120	$ 36,470	5.21
184152	$ 29,800	2.48
184123	$ 133,120	21.13
184151	$ 29,800	2.48
184150	$ 29,950	2.5
184122	$ 165,980	40.07
184149	$ 51,760	4.32
184148	$ 30,010	2.5
171534	$ 114,000	9.5
720416	$ 668,976	2.13
186284	$ 593,350	14.47
233008	$ 1,260	15.75
755896	$ 1,860	23.23
407325	$ 592,580	2.77

FRIENDSWOOD CITY COUNCIL
AGENDA ITEM FORM

This form should be completed and forwarded to the City Manager's Office as soon as possible prior to the first date that the item is expected to be placed on the Friendswood City Council agenda.

Date requested for City Council consideration: September 23, 2024

Date submitted: 09/18/2024

Prepared by: Karen Horner, City Attorney

Subject: Consider approving the Development Agreement by and between Castle Biosciences, Inc., Reinvestment Zone Number Two, City of Friendswood, and the City of Friendswood.

Originating Department: City Attorney

Degree of importance: This item allows the City Council to approve the Development Agreement (the "Agreement") by and between (i) Castle Biosciences, Inc. (the "Developer"), (ii) the City of Friendswood (the "City"), and (ii) Reinvestment Zone Number Two, Friendswood (the "Zone") for the development and financing of certain public improvements associated with the Developer's proposed mixed-use commercial development within the Zone (the "Project")

Under the proposed Agreement, Developer will:

1. design and construct a mixed-use commercial development consisting of approximately 80,000 square feet of commercial space, approximately 30,000 square feet of retail space, and approximately 80,000 square feet of office space;
2. construct certain public improvements, including a water distribution system, storm drainage, detention, and roadway;
3. maintain the public improvements until the same are accepted by the City as being in compliance with the approved plans and specifications;
4. not protest GCAD assessed tax values;
5. convey all necessary easements pertaining to the public improvements; and
6. pay all permit and impact fees applicable to the Project.

Under the proposed Agreement, the City will use tax increment funds generated by the private development constructed on the development site to reimburse the Developer for public improvement costs advanced by the Developer on behalf of the City.

SUMMARY / ORIGINATING CAUSE

This item allows the City Council to approve the Development Agreement (the "Agreement") by and between (i) Castle Biosciences, Inc. (the "Developer"), (ii) the City of Friendswood (the "City"), and (ii) Reinvestment Zone Number Two, Friendswood (the "Zone") for the development and financing of certain public improvements associated with the Developer's proposed mixed-use commercial development within the Zone (the "Project")

Under the proposed Agreement, Developer will:

1. design and construct a mixed-use commercial development consisting of approximately 80,000 square feet of commercial space, approximately 30,000 square feet of retail space, and approximately 80,000 square feet of office space;

2. construct certain public improvements, including a water distribution system, storm drainage, detention, and roadway;
3. maintain the public improvements until the same are accepted by the City as being in compliance with the approved plans and specifications;
4. not protest GCAD assessed tax values;
5. convey all necessary easements pertaining to the public improvements; and
6. pay all permit and impact fees applicable to the Project.

Under the proposed Agreement, the City will use tax increment funds generated by the private development constructed on the development site to reimburse the Developer for public improvement costs advanced by the Developer on behalf of the City.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

Staff recommends approval.

ATTACHMENTS

1. Castle Biosciences Development Agreement TIRZ #2

DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT (the "Agreement") by and between the **CITY OF FRIENDSWOOD, TEXAS** (the "City"), a municipal corporation and home-rule city of the State of Texas, acting by and through its governing body, the City Council (the "City Council"); **REINVESTMENT ZONE NUMBER TWO, CITY OF FRIENDSWOOD** (the "Zone"), a tax increment reinvestment zone created by the City pursuant to Chapter 311 of the Texas Tax Code, as amended (the "Act"), acting by and through its governing board of directors (the "Zone Board"), and **CASTLE BIOSCIENCES, INC.** (the "Developer"), a Missouri corporation (each a "Party," and together, "the Parties"), is effective as of the date of signature of the City (the "Effective Date").

RECITALS

WHEREAS, pursuant to the Act, by Ordinance No. 2024-17, passed, approved and adopted by the City Council on June 3, 2024, the City Council created the Zone and approved the preliminary reinvestment zone financing plan for the Zone; and

WHEREAS, on September 23, 2024, the Zone Board adopted a project plan and reinvestment zone financing plan for the Zone (the "Plan") that provides that the Zone will undertake to develop certain public works and improvements in the Zone, and by Ordinance No. 2024-30, passed, approved and adopted by City Council on September 23, 2024, the Plan was approved by the City Council; and

WHEREAS, the Act provides that the Zone and the City may enter into agreements as the Zone Board and the City Council consider necessary or convenient to implement the Plan and achieve its purposes; and

WHEREAS, the Developer is the owner of that certain 23.231-acre tract of land within the Zone depicted in **Exhibit A** attached hereto and incorporated herein (the "Property"), on which Developer intends to design, develop, construct, maintain, manage, use and operate in a first phase a mixed-use commercial development consisting of approximately 80,000 square feet of commercial space, followed by a second phase that is anticipated to include approximately 30,000 square feet of retail space and approximately 80,000 square feet of office space, depending on market demands (the "Project"); and

WHEREAS, in connection with the development of the first phase of the Project, the Developer intends to construct certain public works and improvements, including, but not limited to, the extension of Friendswood Parkway from FM 528 to Narnia Way (the "Road Improvements"), a detention pond, and an 8" water line, as further described in **Exhibit B** and depicted in **Exhibit B-1** attached hereto and incorporated herein (collectively, the "Public Improvements"); and

WHEREAS, the City and the Zone have determined that they can best carry out their functions pursuant to the Plan by contracting with the Developer to provide for the efficient and effective implementation of certain aspects of the Plan, and the City and the Developer desire to enter into this Agreement to enable the development and financing of the Public Improvements in connection with the Developer's development of the Project within the Zone, and the reimbursement of the Developer from Available Tax Increment (as hereinafter defined) as provided herein;

NOW, THEREFORE, for and in consideration of the promises and the mutual agreements set forth herein, the Parties hereby agree as follows:

ARTICLE I
GENERAL TERMS

A. Incorporation of Recitals. The recitals to this Agreement are hereby incorporated for all purposes.

B. Definitions and Terms. The terms "Act," "Agreement," "Developer," "City," "City Council," "Effective Date," "Party," "Parties," "Plan," "Project," "Property," "Public Improvements," "Road Improvements," "Zone," and "Zone Board" shall have the meanings given to such terms in the Recitals, and the following terms have the following meanings:

"Administrative Costs" shall mean all costs incurred by the City for the administration of the Zone, including legal, bookkeeping, auditing, and other professional and/or consulting service costs.

"Applicable Law" means any statute, law, treaty, rule, code, ordinance, regulation, permit, interpretation, certificate or order of any Governmental Authority, or any judgment, decision, decree, injunction, writ, order or like action of any court, or other Governmental Authority. Applicable Laws shall include, but not be limited to, City Regulations.

"Available Tax Increment" shall mean the Tax Increment attributable to the Property deposited into the Tax Increment Fund other than those funds required to be used to pay Administrative Costs.

"Base Year Value" shall mean the taxable value of the Property on January 1, 2024, as established and certified by the Galveston Central Appraisal District.

"City Regulations" shall mean provisions of the City's Code of Ordinances, ordinances not codified, design standards, uniform and international building and construction codes, and other policies duly adopted by the City, which shall be applied to the Project and the Public Improvements.

"Commence Construction" or "Commencement of Construction" shall mean, with respect to the Public Improvements, that (i) preliminary plans and specifications have been prepared and all approvals thereof required by applicable Governmental Authorities have been obtained for construction of the detention pond and the 8" water line pursuant to the Plans and Specifications therefor; (ii) all necessary permits for the initiation of construction of the detention pond and the 8" water line pursuant to the Plans and Specifications therefor have been issued by all applicable Governmental Authorities; and (iii) the grading of the property on which the applicable Public Improvements will be constructed has commenced.

"Commencement Deadline" shall have the meaning set forth in Article IV.A. of this Agreement.

"Complete Construction" or "Completion of Construction" shall mean, with respect to the Public Improvements, that the Director has determined that the Developer has completed construction thereof in accordance with City Regulations and the Plans and Specifications so that the Public Improvements can be used and maintained for their intended purposes, and the City has accepted the Public Improvements and confirmed that Final Completion has been reached with respect to the Public Improvements.

"Completion Deadline" shall have the meaning set forth in Article IV.A. of this Agreement.

"Developer Advances" shall mean any funds advanced by the Developer for Public Improvement Costs pursuant to this Agreement, including any funds advanced prior to the Effective Date, but excluding Developer Interest.

"Developer Interest" shall mean the interest accrued on an amount not to exceed the lesser of (i) the actual Public Improvements Costs paid by the Developer or (ii) $5,417,796.68, during the period beginning from the Effective Date at a per annum rate equal to the lesser of (x) 4.0% or (y) the rate of interest imposed by Developer's lender and ending as of the date determined by the provisions of Article V.D of this Agreement.

"Director" shall mean the director of the City's Engineering Department, or his or her designee.

“Final Completion” shall mean the point in the construction of the Public Improvements when the City determines that the Public Improvements are 100% completed, including punch list work.

“Form 1295” shall have the meaning set forth in Article IX.J.1 of this Agreement.

“Governmental Authority” shall mean any Federal, state or local governmental entity (including any taxing authority) or agency, court, tribunal, regulatory commission or other body, whether legislative, judicial or executive (or a combination or permutation thereof).

“Maximum Reimbursement Amount” shall mean an amount that is equal to the lesser of (i) the actual Public Improvements Costs and, if applicable, the Developer Interest thereon; or (ii) $5,417,796.68, and, if applicable, Developer Interest thereon.

“Plans and Specifications” shall mean the designs, plans and specifications for the Public Improvements prepared by a consultant acceptable to the City and Developer at the direction of Developer and approved by the Director in accordance with Article II.B of this Agreement.

“Public Improvements Costs” shall mean all eligible “project costs” (as that term is defined in Section 311.002 of the Act) relating to the actual costs of acquisition, design, development, and construction of the Public Improvements paid by or on behalf of the Developer, whether before or after the Effective Date, including (i) the acquisition cost of any land that is part of the Public Improvements; (ii) all costs of design, engineering, materials, labor, construction, testing and inspection and other services arising in connection with the design and construction of the Public Improvements; (iii) all payments arising under any contracts entered into for the design or construction of the Public Improvements; and (iv) all costs incurred in connection with obtaining governmental approvals, certificates and permits required in connection with the construction of the Public Improvements, including the legal, engineering, environmental, and other consultant fees and expenses related to the design and construction of the Public Improvements.

“Tax Increment” shall mean one hundred percent (100%) of the City’s ad valorem taxes levied and collected by the City above the Base Year Value on the captured appraised value of the Property and deposited into the Tax Increment Fund.

“Tax Increment Fund” shall mean the special fund established and funded by the City with payments made by the City that are attributable to Tax Increment.

"Term" shall mean the term of this Agreement, which shall commence on the Effective Date and, unless earlier terminated as provided herein, shall continue until the earlier of (i) the date that the TIRZ Contribution has been paid in full, or (ii) December 31, 2054.

"TIRZ Contribution" shall mean the payment by the City and the Zone to the Developer for reimbursement of Developer Advances (and, if applicable, Developer Interest) in consideration for the development and construction of the Public Improvements, which shall not exceed the lesser of (i) the Available Tax Increment through December 31, 2054, or (ii) the Maximum Reimbursement Amount, subject to the terms and conditions of this Agreement.

C. Singular and Plural. Words used herein in the singular, where the context so permits, also include the plural and vice versa. The definitions of words in the singular herein also apply to such words when used in the plural where the context so permits and vice versa.

ARTICLE II
THE PUBLIC IMPROVEMENTS

A. The Public Improvements. The Developer shall be responsible for the design and construction of the Public Improvements.

B. Standards and Approvals. The Developer agrees that the preliminary plans and specifications for the Public Improvements shall be subject to the review and approval of all Governmental Authorities with jurisdiction, including, without limitation, the City, and, with respect to the Road Improvements, the Texas Department of Transportation. The Developer agrees to comply with all applicable legal requirements from such jurisdictions. Construction of the Public Improvements will be in accordance with the approved Plans and Specifications, and with the City's applicable standards and specifications, and, during the progress of the construction and installation of the Public Improvements, the City may conduct periodic, on-the-ground inspections.

C. Construction and Implementation of the Public Improvements. Developer shall be responsible for the inspection and supervision of the construction and implementation of the Public Improvements in accordance with all applicable City Regulations and procedures. The Developer shall provide to the City copies of all change orders and pay estimates. Upon Completion of Construction of the Public Improvements, the Developer shall provide the City with a final cost summary of all costs associated with the contract(s) for construction of the Public Improvements, a certificate of Completion of Construction of the Public Improvements and evidence that all amounts owing to contractors and subcontractors have been paid in full evidenced by customary affidavits executed by such contractors.

D. Maintenance of the Public Improvements. Until such time as the Public Improvements are dedicated or conveyed to and accepted by the City, Developer shall maintain or cause to be maintained the Public Improvements, including, but not limited to, maintenance of the landscaping including any existing trees; the payment of charges for water for irrigation purposes, if any; and maintaining the associated irrigation and electrical systems. Upon the City's acceptance of the Public Improvements, the Developer shall provide a maintenance bond in the amount of one hundred percent (100%) of the total cost of the Public Improvements in a form approved by the City to guarantee the Public Improvements against all defects in workmanship and materials which may become apparent during the one (1)-year period from the date of the City's acceptance of the Public Improvements.

E. Tax Protests. During the Term, Developer shall not protest Galveston Central Appraisal District ("GCAD")'s assessed taxable value of the Project or the Property, provided that Developer may submit information to GCAD to correct any factual errors made by GCAD in determining the assessed taxable value of the Property or the Project, including, but not limited to, the use of the Property (if and to the extent that GCAD has not classified the use of the Property consistent with the Project described herein), the square footage of the Property, the square footage of the improvements located thereon, or the year in which construction of such improvements was completed. If Developer does not comply with this Section, the City, at its sole discretion, may suspend performance hereunder and begin procedures to terminate this Agreement for default, subject to the notice provisions contained in Article VIII.C., and the Developer shall repay to the City all portions of the TIRZ Contribution paid to the Developer hereunder.

F. Conveyance of Temporary Construction and Access Easements. Developer shall grant the City, at no cost, all required temporary construction and access easements necessary to maintain the Public Improvements. The City shall grant Developer, at no cost, all required temporary construction and access easements necessary to install and maintain the Public Improvements. The provisions of this Section shall survive the expiration or termination of the Agreement.

G. Payment of Fees. Developer agrees to pay all applicable monthly rates and charges for water and sewer services and shall pay all applicable City fees, including, but not limited to, impact fees and building permit fees, for the Project and the Public Improvements, it being understood that such fees shall be consistent with the charges and fees being charged to other similar developments in the City.

ARTICLE III
REPRESENTATIONS

A. Representations of the City. The City hereby represents that as the date hereof:

The City is a duly created and existing municipal corporation and home rule municipality of the State of Texas under the laws of the State of Texas and is duly qualified and authorized to carry on the governmental functions and operations as contemplated by this Agreement.

The City has the power, authority and legal right under the laws of the State of Texas and the City Charter to enter into and perform this Agreement and the execution, delivery and performance hereof (i) will not, to the best of its knowledge, violate any applicable judgment, order, law or regulation, and (ii) do not constitute a default under, or result in the creation of, any lien, charge, encumbrance or security interest upon any assets of the City under any agreement or instrument to which the City is a party or by which the City or its assets may be bound or affected.

This Agreement has been duly authorized, executed and delivered by the City and constitutes a legal, valid and binding obligation of the City, enforceable in accordance with its terms except to the extent that (i) the enforceability of such instruments may be limited by bankruptcy, reorganization, insolvency, moratorium or other similar laws of general application in effect from time to time relating to or affecting the enforcement of creditors' rights and (ii) certain equitable remedies may be unavailable.

The execution, delivery and performance of this Agreement by the City do not require the consent or approval of any person which has not been obtained.

B. Representations of the Zone. The Zone Board hereby represents that:

The Zone is duly authorized, created and existing under the laws of the State and is duly qualified and authorized to carry on the governmental functions and operations as contemplated by this Agreement.

The Zone Board has the power, authority and legal right to enter into and perform this Agreement and the execution, delivery and performance hereof (i) have been duly authorized, (ii) will not, to the best of its knowledge, violate any applicable judgment, order, law or regulation, and (iii) does not constitute a default under, or result in the creation of, any lien, charge, encumbrance or security interest upon any assets of the Zone under any agreement or instrument to which the Zone is a party or by which the Zone or its assets may be bound or affected.

This Agreement has been duly authorized, executed and delivered by the Zone Board and constitutes a legal, valid and binding obligation of the Zone, enforceable in accordance with its terms except to the extent that (i) the enforceability of such instruments may be limited by bankruptcy, reorganization, insolvency, moratorium or other similar laws of general application in effect from time to time relating to or affecting the enforcement of creditors' rights and (ii) certain equitable remedies may be unavailable.

The execution, delivery and performance of this Agreement by the Zone Board does not require the consent or approval of any person which has not been obtained.

C. Representations of the Developer. The Developer hereby represents that:

The Developer has the power, authority and legal right under the laws of the State of Texas to enter into and perform this Agreement and the execution, delivery and performance hereof (i) will not, to the best of its knowledge, violate any applicable judgment, order, law or regulation, and (ii) do not constitute a default under, or result in the creation of, any lien, charge, encumbrance or security interest upon any assets of the Developer under any agreement or instrument to which the Developer is a party or by which the Developer or its assets may be bound or affected.

This Agreement has been duly authorized, executed and delivered and constitutes a legal, valid and binding obligation of the Developer, enforceable in accordance with its terms except to the extent that (i) the enforceability of such instruments may be limited by bankruptcy, reorganization, insolvency, moratorium or other similar laws of general application in effect from time to time relating to or affecting the enforcement of creditors' rights and (ii) certain equitable remedies may be unavailable.

The execution, delivery and performance of this Agreement by the Developer do not require the consent or approval of any person which has not been obtained.

ARTICLE IV
DEVELOPER OBLIGATIONS

In consideration of the City and the Zone agreeing to pay the Developer the TIRZ Contribution in accordance with the terms, provisions and conditions of this Agreement, the Developer agrees to fulfill the following conditions in order to receive the TIRZ Contribution:

A. Commencement of Construction; Completion of Construction. Developer shall Commence Construction of the Public Improvements on or before the date that is sixty (60) days from the Effective Date (the "Commencement Deadline"). Developer shall Complete Construction of the Public Improvements on or before the date that is the later of (i) thirty-six (36) months from the date on which Developer Commences Construction of the Public Improvements or (ii) eighteen (18) months from the date on which Developer obtains approval of the preliminary plans and specifications for the Road Improvements from the Texas Department of Transportation (the "Completion Deadline"). Notwithstanding any other provision of this Agreement, the City and the Zone, in their sole and absolute discretion, shall have the right, upon thirty (30) days' prior written notice to Developer, to terminate this Agreement if: (a) Developer does not Commence Construction of the Public Improvements on or before the Commencement Deadline; or (b) Developer does not Complete Construction of the Public Improvements on or before the Completion Deadline. Upon the termination of this Agreement by the City and/or the Zone pursuant to this Section, all rights and obligations of the Parties shall terminate and be of no further force or effect, except for any provisions of this Agreement that specifically survive termination of this Agreement.

B. Public Improvements Funding. The Developer will secure the funds necessary to design and construct the Public Improvements prior to contracting for the design or construction of the Public Improvements.

C. Ownership, Operation, and Maintenance of Public Improvements. As the acquisition and construction of the Public Improvements is completed and the Public Improvements become operational, the Director shall inspect the same and, if the Director finds that the same has been completed in accordance with the Plans and Specifications, or any modifications thereof, and in accordance with all Applicable Laws, the City will accept the same in writing to establish Completion of Construction of the Public Improvements, whereupon the Developer shall convey such Public Improvements to the City. Thereafter, such Public Improvements will belong to and be the absolute property of the City and will be operated and maintained by the City at its sole expense, subject to Section D. below.

D. Acquisition and Dedication of Property. If it is necessary to acquire property for completion of the Public Improvements, Developer shall acquire all such necessary property; provided, however, that, in the event that Developer is unable to acquire all necessary right-of-way to construct the Road Improvements, the City shall exercise reasonable efforts to acquire such right-of-way through any means lawfully available to the City, subject to separate approval by City Council. All property owned or acquired by the Developer for Public Improvements pursuant to this Section shall conveyed to the City within thirty (30) days following acceptance of the Public Improvements as described in Section C. above and shall be considered part of the Public Improvements Costs.

E. Maintenance of Records. The Developer shall be responsible for maintaining records of all costs incurred and payments made for the Public Improvements and records evidencing compliance with all of the Developer commitments required by this Article and shall make such records available to the City for examination at a location within the corporate limits of the City at the City's reasonable request and at no cost to the City. The City shall have the right to review and audit such records upon five (5) business days' prior written notice to the Developer.

F. Additional Projects and Public Improvements. This Agreement does not apply to any projects except the Project specifically defined herein and does not apply to any Public Improvements except the Public Improvements specifically defined herein unless this Agreement is amended to provide for the design and construction of additional projects and public improvements.

ARTICLE V
REIMBURSEMENT OF DEVELOPER ADVANCES; DEVELOPER INTEREST PAYMENTS

A. In consideration of the development and construction of the Public Improvements, subject to Developer's compliance with the terms and conditions of this Agreement, the City, on behalf of the Zone, shall pay the TIRZ Contribution to the Developer solely from Available Tax Increment.

B. Provided that Developer has Commenced Construction of the Public Improvements on or before the Commencement Deadline and Completed Construction of the Public Improvements on or before the Completion Deadline, Developer may submit a request for payment of the TIRZ Contribution with respect to the Public Improvements upon Completion of the Public Improvements. With each request for payment of the Public Improvements Costs, Developer shall deliver to the City the following items:

(i) a written request for payment;

(ii) a summary of all Public Improvements Costs incurred to-date;

(iii) a summary of all Developer Advances as of the date of the request for payment;

(iv) evidence that all contractors, subcontractors, laborers, materialmen, architects, engineers and all other parties who have performed work on or furnished materials to-date have been paid in full, together with executed and delivered releases of lien or customary affidavits executed by such contractors;

(v) a sworn affidavit executed by an officer authorized to bind the Developer certifying that all contractors, subcontractors, laborers, materialmen, architects, engineers and all other parties who have performed work on or furnished materials to-date have been paid in full; and

(vi) a sworn affidavit executed by an officer authorized to bind the Developer certifying that the Public Improvements Costs for which the Developer is seeking reimbursement from the TIRZ Contribution have not been paid from, and will not be reimbursed from, any public funding sources other than Available Tax Increment.

C. The City, on behalf of the Zone shall make annual payments to the Developer in the amount equal to the Available Tax Increment to reimburse outstanding Developer Advances on March 1 of each year. Payments for the Public Improvements shall begin no earlier than on March 1 of the year after which Completion of Construction of the Public Improvements has occurred. Payments shall continue until the TIRZ Contribution is fully paid.

D. If Developer has met the requirements set forth in Section B. above to begin receiving annual payments of the TIRZ Contribution, and has satisfied the criteria for payment of the first tranche of Developer Interest payments (and, if applicable, the second tranche of Developer Interest payments) set forth in this Section, Developer may submit a request for payment of the TIRZ Contribution for Developer Interest. With each request for payment of Developer Interest, Developer shall deliver to the City a written request for payment and a sworn affidavit that includes the calculation of Developer Interest and the amount due, along with documentation evidencing that the minimum taxable value requirement(s) set forth below have been met for the applicable period(s) of time set forth below:

1. First Tranche of Developer Interest Payments: If, on or before December 31, 2026, (a) the taxable value of the Property is not less than $49,440,000, and (b) Developer has satisfied all other requirements for payment of Developer Interest set forth herein, Developer Interest shall accrue for up to two (2) consecutive years from the Effective Date; provided, however, that should the taxable value of the Property fall below $49,400,000, no Developer Interest payment will be due for that year.

2. Second Tranche of Developer Interest Payments: If, on or before December 31, 2029, (a) the taxable value of the Property is not less than $113,000,000, (b) Developer has met the criteria to receive the first tranche of Developer Interest payments for two (2) consecutive years subject to the preceding subsection, and (c) Developer has satisfied all other requirements for payment of Developer Interest set forth herein, Developer Interest shall accrue for up to an additional two (2) consecutive years; provided, however, that should the taxable value of the Property fall below $113,000,000, no Developer Interest payment will be due for that year.

E. The City is not required to make any payment to the Developer in any year in which:

(i) Completion of Construction of the Public Improvements has not occurred and/or Developer has not submitted a payment request in compliance with the requirements of this Article;

(ii) funds are not available from the Available Tax Increment;

(iii) the taxable value of the Property for that year is less than or equal to the Base Year Value, regardless of whether there is Available Tax Increment; or

(iv) the Developer has not fully paid all ad valorem property taxes owed on the Project or the Property (including any delinquent or rollback taxes).

In addition to the foregoing, the City is not required to make any payment to the Developer of Developer Interest except as expressly set forth in and subject to the conditions of Section D. above. In the event that Developer has met the criteria to receive a Developer Interest payment and sufficient funds are not available from the Available Tax Increment that year to reimburse the outstanding Developer Advances and make the Developer Interest payment, the Available Tax Increment will be allocated first toward reimbursement of the outstanding Developer Advances, and then toward the Developer Interest payment, and any unpaid portion of the Developer Interest payment that would have been payable that year will be carried forward and will be made from Available Tax Increment in the next year in which sufficient Available Tax Increment remains, following reimbursement of outstanding Developer Advances, to pay the balance of such Developer Interest payment.

F. Prior to the payment of any portion of the TIRZ Contribution to the Developer, the City shall hire a certified public accountant to review the invoices and appropriate proof of payment for all Public Improvement Costs paid for by Developer Advances for which Completion of Construction has occurred and submit a report to the City certifying the (i) amounts due from the Available Tax Increment for the Developer Advances being repaid, and (ii) that funds are available from Available Tax Increment to make such payment.

G. In the event all or a portion of the Public Improvements Costs (and, if applicable, the payment of Developer Interest thereon) is determined to be ineligible under the Act or is inconsistent with the Plan, the TIRZ Contribution shall be reduced by the amount attributable to the ineligible component(s) or cost(s). If the City has already repaid the Developer for such ineligible Public Improvements Costs (or Developer Interest thereon) in accordance with this Agreement, the Parties hereby agree that (i) the amount repaid to the Developer by the City for such ineligible Public Improvements Costs (or Developer Interest thereon) shall be offset against future repayments by the City, or (ii) in the event there are not future repayments to be made by the City, or such amounts are insufficient, (x) the Developer shall reimburse the City for such amount owed within thirty (30) days of receipt of an invoice from the City, and (y) interest will accrue on any amounts not reimbursed by Developer within thirty (30) days of receipt of an invoice from the City at the rate of interest specified in Texas Government Code Section 2251.025.

H. Developer agrees that it will exercise reasonable efforts to seek reimbursement from the City for Public Improvements Costs eligible for payment from public funding sources other than Available Tax Increment, to the maximum extent permitted by Applicable Law and/or by agreement. Public Improvements Costs reimbursable to Developer under this Agreement shall be reduced to the extent that such Project Costs are reimbursed to, or are contracted to be reimbursed to, Developer from any public funding sources other than Available Tax Increment, and the obligations of the City to reimburse Developer under this Agreement will be decreased by the amount of the payments to the Developer from such other funding public sources.

ARTICLE VI
ADDRESS AND NOTICE

Any and all notices and communications under this Agreement shall be mailed by first-class mail, or delivered, or sent by electronic transmission confirmed by mailing written confirmation at substantially the same time as such electronic transmission, to the Developer at the following address:

Castle Biosciences, Inc.
c/o Partners
1360 Post Oak Blvd, Suite 1900
Houston, Texas 77056
Attention: Carter Perrin, Managing Director
Email: carter.perrin@partnersrealestate.com

With a copy to:

Allen Boone Humphries Robinson LLP
3200 Southwest Freeway, Suite 2600
Houston, Texas 77027
Attention: Jessica Holoubek
Email: jholoubek@abhr.com

Any and all notices and communications under this Agreement shall be mailed by first-class mail, or delivered, or sent by electronic transmission confirmed by mailing written confirmation at substantially the same time as such electronic transmission, to the City at the following address:

City Manager, City of Friendswood, Texas
910 S. Friendswood Drive
Friendswood, Texas 77546
Email: fwdcity@friendswood.com

Any and all notices and communications under this Agreement shall be mailed by first-class mail, or delivered, or sent by electronic transmission confirmed by mailing written confirmation at substantially the same time as such electronic transmission, to the Zone at the following address:

Reinvestment Zone Number Two, City of Friendswood
c/o City Secretary
910 S. Friendswood Drive
Friendswood, Texas 77546
Email: citysecretary@friendswood.com

ARTICLE VII
INSURANCE, INDEMNIFICATION AND RELEASE

A. Insurance. With no intent to limit any contractor's liability or obligation for indemnification, Developer shall require that each contractor providing work or service on the Public Improvements provide and maintain certain insurance in full force and effect at all times during the construction of the Public Improvements and shall require that the City and the Zone are named as additional insureds under such contractor's insurance policies.

The insurance, at a minimum, must include the following coverages and limits of liability:

Coverage	Limit of Liability
Worker's Compensation	Statutory for Workers Compensation
Employer's Liability (each accident) (policy limit) (each employee)	Bodily Injury by Disease $500,000 Bodily Injury by Accident $100,000 Bodily Injury by Disease $100,000
Commercial General Liability:	Each Occurrence Limit of $1,000,000 Personal and Advertising Limit of $1,000,000 General Aggregate Limit of $2,000,000 Products - Completed Operations

	Aggregate Limit of $2,000,000
Automobile Liability Insurance (for automobiles used by the contractor in the course of its performance under this Agreement including employer's non-owned and hired auto coverage) Professional Liability Coverage (for professional service contract only)	$1,000,000 combined single limit per occurrence $500,000 per occurrence $1,000,000 aggregate

If the amount of any contract awarded by Developer to construct Public Improvements shall exceed $1,000,000, Developer shall contract with the contractor to maintain Commercial General Liability coverage for at least twice the combined minimum limits specified above.

B. Form of Policies. The City may approve the form of the insurance policies, but nothing the City does or fails to do relieves Developer of its obligation to provide the required coverage under this Agreement. The City's actions or inactions do not waive the Zone's or the City's rights under this Agreement.

C. Issuers of Policies. The issuer of each policy shall be a carrier that is licensed and admitted to do business in the State of Texas by the Texas Department of Insurance or a legally established self-insurance pool in the State of Texas and has a Best's rating of at least A and a Best's Financial Size Category of Class VII or better, according to the most current edition Best Key Rating Guide, Property-Casualty United States.

D. Insured Parties. Each policy, except those for Workers' Compensation, Employer's Liability, and Professional Liability, must name the City and the Zone (and their respective officers, agents, and employees) as additional insured parties on the original policy and all renewals or replacements.

E. Deductibles. Developer shall be responsible for and bear (or shall contract with each applicable contractor to bear and assume) any claims or losses to the extent of any deductible amounts and waives (and shall contract with each contractor to waive) any claim it may have for the same against the City or the Zone, or their respective officers, agents, or employees.

F. Cancellation. Each policy must state that it may not be canceled, materially modified, or nonrenewed unless the insurance company gives the City thirty (30) days' prior written notice. Developer shall (and shall contract with each contractor to) give written notice to the City within five (5) days of the date on which total claims by any party against such person reduce the aggregate amount of coverage below the amounts required by this Agreement. In the alternative, the policy may contain an endorsement establishing a policy aggregate for the particular project or location subject to this Agreement.

G. Subrogation. Each policy must contain an endorsement to the effect that the issuer waives any claim or right of subrogation to recover against the City and the Zone, and their respective officers, agents, or employees.

H. Primary Insurance Endorsement. Each policy, except Workers' Compensation and Professional Liability (if any), must contain an endorsement that the policy is primary to any other insurance available to the additional insured with respect to claims arising under this Agreement.

I. Liability for Premium. Developer shall pay (or shall contract with contractors to pay) all insurance premiums for coverage required by this Article VII and the City and the Zone shall not be obligated to pay any premiums.

J. Subcontractors. Notwithstanding the other provisions of this Article VII, the amount of coverage contracted to be provided by subcontractors shall be commensurate with the amount of the subcontract, but in no case less than $500,000 per occurrence.

K. Proof of Insurance. Promptly after the execution of this Agreement and from time to time during the Term at the request of the City, Developer shall furnish the City with certificates of insurance maintained by Developer in accordance with this Article VII, along with an affidavit from Developer confirming that the certificates accurately reflect the insurance coverage maintained. Prior to Commencement of Construction of any Public Improvements hereunder, Developer shall provide (or shall contract with its contractors or subcontractors to provide) copies of the insurance certificates to the City, and within ten (10) days before expiration of coverage, Developer shall deliver (or contract with its contractors or subcontractors to deliver) copies of renewal policies or certificates of insurance evidencing renewal and payment of premium. Developer shall maintain all current certificates of insurance on file with the City at all times during the Term until the Completion of all Public Improvements has occurred. If requested in writing by the City, Developer shall furnish the City Manager with certified copies of Developer's actual insurance policies. If Developer does not comply with the requirements of this Article VII, the City, at its sole discretion, may (1) suspend performance by the City and the hereunder and begin procedures to terminate this Agreement for default or (2) purchase the required insurance with City or Zone funds and deduct the cost of the premiums from amounts due to Developer under this Agreement. The City shall never waive or be estopped to assert its right to terminate this Agreement because of its acts or omissions regarding its review of insurance documents.

L. <u>Other Insurance</u>. If requested by the City, Developer shall furnish adequate evidence of social security and unemployment compensation insurance, to the extent applicable to Developer's operations under this Agreement.

M. <u>Indemnification and Release.</u>

DEVELOPER SHALL DEFEND, INDEMNIFY, AND HOLD THE CITY AND THE ZONE, THEIR AGENTS, EMPLOYEES, OFFICERS, AND LEGAL REPRESENTATIVES (COLLECTIVELY, THE "INDEMNIFIED PERSONS") HARMLESS FOR ALL CLAIM, CAUSES OF ACTION, LIABILITIES, FINES, AND EXPENSES (INCLUDING, WITHOUT LIMITATION, ATTORNEYS' FEES, COURT COSTS, AND ALL OTHER DEFENSE COSTS AND INTEREST) FOR INJURY, DEATH, DAMAGE, OR LOSS TO PERSONS OR PROPERTY SUSTAINED IN CONNECTION WITH OR INCIDENTAL TO PERFORMANCE UNDER THIS AGREEMENT, INCLUDING, WITHOUT LIMITATION, THOSE CAUSED BY:

DEVELOPER AND/OR ITS AGENTS', EMPLOYEES, OR OFFICERS' DIRECTORS', CONTRACTORS' OR SUBCONTRACTORS' (COLLECTIVELY "DEVELOPER'S") ACTUAL OR ALLEGED NEGLIGENCE OR INTENTIONAL ACTS OR OMISSIONS;

THE INDEMNIFIED PERSONS' AND DEVELOPER'S ACTUAL OR ALLEGED CONCURRENT NEGLIGENCE, WHETHER DEVELOPER IS IMMUNE FROM LIABILITY OR NOT; AND/OR

THE INDEMNIFIED PERSONS' AND DEVELOPER'S ACTUAL OR ALLEGED STRICT PRODUCTS LIABILITY OR STRICT STATUTORY LIABILITY, WHETHER DEVELOPER IS IMMUNE FROM LIABILITY OR NOT.

NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION OR OTHER PROVISIONS OF THIS AGREEMENT, (1) DEVELOPER SHALL NOT BE OBLIGATED TO INDEMNIFY ANY INDEMNIFIED PERSON FOR THE INDEMNIFIED PERSON'S SOLE NEGLIGENCE; AND (2) DEVELOPER SHALL NOT BE OBLIGATED TO INDEMNIFY ANY INDEMNIFIED PERSONS TO THE EXTENT THAT ANY CLAIMS WHICH MIGHT OTHERWISE BE SUBJECT TO INDEMNIFICATION HEREUNDER RESULTED, IN WHOLE OR IN PART, FROM THE GROSS NEGLIGENCE, RECKLESSNESS OR INTENTIONAL ACT OR OMISSION OF ANY INDEMNIFIED PERSON OR PERSONS.

IF AN INDEMNIFIED PERSON OR DEVELOPER RECEIVES NOTICE OF ANY CLAIM OR CIRCUMSTANCE WHICH COULD GIVE RISE TO AN INDEMNIFIED LOSS, THE RECEIVING PARTY SHALL GIVE WRITTEN NOTICE TO THE OTHER PARTY WITHIN TEN (10) DAYS. THE NOTICE MUST INCLUDE A DESCRIPTION OF THE INDEMNIFICATION EVENT IN REASONABLE DETAIL, THE BASIS ON WHICH INDEMNIFICATION MAY BE DUE, AND THE ANTICIPATED AMOUNT

OF THE INDEMNIFIED LOSS. THIS NOTICE SHALL NOT ESTOP OR PREVENT AN INDEMNIFIED PERSON FROM LATER ASSERTING A DIFFERENT BASIS FOR INDEMNIFICATION OR A DIFFERENT AMOUNT OF INDEMNIFIED LOSS THAN THAT INDICATED IN THE INITIAL NOTICE. IF AN INDEMNIFIED PERSON DOES NOT PROVIDE THIS NOTICE WITHIN THE 10-DAY PERIOD, IT DOES NOT WAIVE ANY RIGHT TO INDEMNIFICATION EXCEPT TO THE EXTENT THAT DEVELOPER IS PREJUDICED, SUFFERS LOSS, OR INCURS EXPENSE BECAUSE OF THE DELAY.

DEVELOPER SHALL ASSUME THE DEFENSE OF THE CLAIM AT ITS OWN EXPENSE WITH COUNSEL CHOSEN BY IT THAT IS REASONABLY SATISFACTORY TO THE INDEMNIFIED PERSON. DEVELOPER SHALL THEN CONTROL THE DEFENSE AND ANY NEGOTIATIONS TO SETTLE THE CLAIM. WITHIN TEN (10) DAYS AFTER RECEIVING WRITTEN NOTICE OF THE INDEMNIFICATION REQUEST, DEVELOPER SHALL ADVISE THE INDEMNIFIED PERSON AS TO WHETHER OR NOT IT WILL DEFEND THE CLAIM. IF DEVELOPER DOES NOT ASSUME THE DEFENSE, THE INDEMNIFIED PERSON SHALL ASSUME AND CONTROL THE DEFENSE, AND ALL DEFENSE EXPENSES INCURRED BY IT SHALL CONSTITUTE AN INDEMNIFICATION LOSS.

IF DEVELOPER ELECTS TO DEFEND A CLAIM, THE INDEMNIFIED PERSON MAY RETAIN SEPARATE COUNSEL AT THE SOLE COST AND EXPENSE OF SUCH INDEMNIFIED PERSON TO PARTICIPATE IN (BUT NOT CONTROL) THE DEFENSE AND TO PARTICIPATE IN (BUT NOT CONTROL) ANY SETTLEMENT NEGOTIATIONS. DEVELOPER MAY SETTLE THE CLAIM WITHOUT THE CONSENT OR AGREEMENT OF THE INDEMNIFIED PERSON, UNLESS THE SETTLEMENT (I) WOULD RESULT IN INJUNCTIVE RELIEF OR OTHER EQUITABLE REMEDIES OR OTHERWISE REQUIRE THE INDEMNIFIED PERSON TO COMPLY WITH RESTRICTIONS OR LIMITATIONS THAT ADVERSELY AFFECT THE INDEMNIFIED PERSON, (II) WOULD REQUIRE THE INDEMNIFIED PERSON TO PAY AMOUNTS THAT DEVELOPER DOES NOT FUND IN FULL, OR (III) WOULD NOT RESULT IN THE INDEMNIFIED PERSON'S FULL AND COMPLETE RELEASE FROM ALL LIABILITY TO THE PLAINTIFFS OR CLAIMANTS WHO ARE PARTIES TO OR OTHERWISE BOUND BY THE SETTLEMENT.

DEVELOPER RELEASES EACH INDEMNIFIED PERSON FROM ALL LIABILITY FOR INJURY, DEATH, DAMAGE, OR LOSS TO PERSONS OR PROPERTY SUSTAINED IN CONNECTION WITH OR INCIDENTAL TO PERFORMANCE UNDER THIS AGREEMENT, EVEN IF THE INJURY, DEATH, DAMAGE, OR LOSS IS CAUSED BY THE INDEMNIFIED PERSON'S CONCURRENT NEGLIGENCE AND/OR THE INDEMNIFIED PERSON'S STRICT PRODUCTS LIABILITY OR

STRICT STATUTORY LIABILITY, BUT NOT SUCH INDEMNIFIED PERSON'S SOLE NEGLIGENCE OR FROM ANY DAMAGE OR LOSS TO THE EXTENT RESULTING FROM THE GROSS NEGLIGENCE, RECKLESSNESS OR INTENTIONAL ACT OR OMISSION OF THE INDEMNIFIED PERSON.

DEVELOPER SHALL REQUIRE ALL CONTRACTORS ENGAGED BY IT TO CONSTRUCT PUBLIC IMPROVEMENTS (AND THEIR SUBCONTRACTORS) TO RELEASE AND INDEMNIFY THE INDEMNIFIED PERSONS TO THE SAME EXTENT AND IN SUBSTANTIALLY THE SAME FORM AS ITS RELEASE OF AND INDEMNITY TO THE INDEMNIFIED PERSONS HEREUNDER.

N. RELEASE. DEVELOPER SHALL ALSO REQUIRE THAT ALL GENERAL CONTRACTORS INDEMNIFY THE CITY AND THE ZONE AND THEIR RESPECTIVE OFFICIALS AND EMPLOYEES FROM AND AGAINST ANY AND ALL CLAIMS, LOSSES, DAMAGES, CAUSES OF ACTION, SUITS AND LIABILITIES ARISING OUT OF SUCH CONTRACTOR'S WORK AND ACTIVITY RELATED TO THE PUBLIC IMPROVEMENTS.

O. Survival. The provisions of Sections M. and N. above shall survive the expiration or termination of the Agreement.

ARTICLE VIII
DEFAULT AND REMEDY

A. Payment Default. The City and Zone agree that, so long as Developer has complied with the terms and provisions of this Agreement, the failure to pay the Developer any portion of the TIRZ Contribution within ten (10) days of the receipt of notice of such failure to pay is an event of default (a "Payment Default") and that the Developer shall be entitled to any and all of the remedies available in this Article or otherwise at law or equity.

B. Developer Default. In the event that the Developer fails to (i) Commence Construction of the Public Improvements on or before the Commencement Deadline, or (ii) Complete Construction of the Public Improvements on or before the Completion Deadline, such failure shall be an event of default by Developer and, in addition to any other remedies available to the City or the Zone at law or in equity, including the termination of this Agreement, the Developer shall release the City from the obligation to repay any Developer Advances or Developer Interest with respect to the Public Improvements Costs.

C. General Events of Default. A Party shall be deemed in default under this Agreement (which shall be deemed a breach hereunder) if such Party fails to materially perform, observe or comply with any of its covenants, agreements or obligations hereunder or breaches or violates any of its representations contained in this Agreement.

Before any failure of any Party to perform its obligations under this Agreement, shall be deemed to be a breach of this Agreement, the Party claiming such failure shall notify the Party alleged to have failed to perform of the alleged failure, in writing, and shall demand performance. Except as otherwise provided in Section A. above with regard to a Payment Default, no breach of this Agreement may be found to have occurred if performance has commenced to the reasonable satisfaction of the complaining Party within 30 days of the receipt of such notice.

Upon a breach of this Agreement, the non-defaulting Party, in any court of competent jurisdiction, by an action or proceeding at law or in equity, may pursue any other remedy set forth herein or otherwise available to that Party at law or in equity. Except as otherwise set forth herein, no action taken by a Party pursuant to the provisions of this Section or pursuant to the provisions of any other Section of this Agreement shall be deemed to constitute an election of remedies; and all remedies set forth in this Agreement shall be cumulative and non-exclusive of any other remedy either set forth herein or available to any Party at law or in equity. Each Party shall have the affirmative obligation to mitigate its damages in the event of a default by another Party.

Notwithstanding anything in this Agreement which is or may appear to be to the contrary, if the performance of any covenant or obligation to be performed hereunder by any Party is delayed as a result of circumstances which are beyond the reasonable control of such Party (which circumstances may include, without limitation, pending or threatened litigation, acts of God, war, acts of civil disobedience, fire or other casualty, shortage of materials, adverse weather conditions [such as, by way of illustration and not limitation, severe rain storms or below freezing temperatures, or tornadoes], labor action, strikes or similar acts), the time for such performance shall be extended by the amount of time of such delay.

In addition to any other right or remedy available to the Parties pursuant to this Agreement, in the event of a default or a breach by either Party under this Agreement which continues for 30 days after written notice to the Party alleged to have defaulted or breached and the failure of the Party alleged to have defaulted or breached to cure or diligently proceed to cure such breach to the complaining Party's reasonable satisfaction, the complaining Party shall have the right (but not the obligation), in its sole discretion, to exercise the rights set forth herein or otherwise available to that Party at law or in equity to require the Party alleged to have defaulted or breached to perform.

ARTICLE IX
GENERAL PROVISIONS

A. Time of the Essence. Time is of the essence of this Agreement. The Parties will make every reasonable effort to expedite the subject matters hereof and acknowledge that the successful performance of this Agreement requires their continued cooperation.

B. Amendments and Waivers. Any provision of this Agreement may be amended or waived if such amendment or waiver is in writing and is approved by the Developer, the Zone and the City. No course of dealing on the part of the Parties nor any failure or delay by the Parties with respect to exercising any right, power or privilege pursuant to this Agreement shall operate as a waiver thereof, except as otherwise provided in this Section.

C. Invalidity. In the event that any of the provisions contained in this Agreement shall be held unenforceable in any respect, such unenforceability shall not affect any other provisions of this Agreement; and, to that end, all provisions, covenants, agreements or portions of this Agreement are declared to be severable.

D. Inspections, Audits. Developer agrees to keep such operating records relating to the Public Improvements as may be reasonably required by the City, or by Applicable Law. Developer shall allow the City reasonable access to documents and records in Developer's possession, custody or control that the City deems necessary to assist the City in determining Developer's compliance with this Agreement. Prior to the City's acceptance of the Public Improvements (or any component thereof), Developer shall tender such records to the City for retention in accordance with the Texas Local Government Records Act.

E. Developer Operations and Employees. All personnel supplied or used by Developer in the performance of this Agreement shall be deemed employees or subcontractors of Developer and will not be considered employees, agents or subcontractors of the City for any purpose whatsoever. Developer shall be solely responsible for the compensation of all such personnel, for withholding of income, social security and other payroll taxes and for the coverage of all worker's compensation benefits.

F. Personal Liability of Public Officials. To the extent permitted by the laws of the State of Texas, no director, officer, employee or agent of the Zone, and no officer, employee or agent of the City, shall be personally responsible for any liability arising under or growing out of the Agreement.

G. Successors and Assigns. No Party may assign its rights or obligations hereunder without the consent of the other Parties, except that, i) upon written notice to the other Parties in accordance with this Agreement, the Developer may assign the

Agreement or the payment of the TIRZ Contribution to an affiliate of the Developer and ii) upon written notice to the other Parties in accordance with this Agreement, the Developer may assign all or a portion of the Developer's contractual right to any sum due or to become due under this Agreement to Developer's lender to aid and assist the Developer in financing the Public Improvements Costs. For purposes of this Section, an "affiliate" means any other person directly controlling, or directly controlled by or under direct common control with the Developer. As used in this definition, the term "control," "controlling" or "controlled by" shall mean the possession, directly, of the power either to (a) vote fifty percent (50%) or more of the securities or interests having ordinary voting power for the election of directors (or other comparable controlling body) of the Developer, or (b) direct or cause the direction of management or policies of the Developer, whether through the ownership of voting securities or interests, by contract or otherwise, excluding in each case, any lender of the Developer or any affiliate of such lender.

H. Exhibits, Titles of Articles, Sections and Subsections. The exhibits attached to this Agreement, if any, are incorporated herein and shall be considered a part of this Agreement for the purposes stated herein, except that in the event of any conflict between any of the provisions of such exhibits and the provisions of this Agreement, the provisions of this Agreement shall prevail. All titles or headings are only for the convenience of the Parties and shall not be construed to have any effect or meaning as to the agreement between the Parties hereto. Any reference herein to a section or subsection shall be considered a reference to such section or subsection of this Agreement unless otherwise stated. Any reference herein to an exhibit shall be considered a reference to the applicable exhibit attached hereto unless otherwise stated.

I. Applicable Law. This Agreement is a contract made under and shall be construed in accordance with and governed by the laws of the United States of America and the State of Texas, and any actions concerning this Agreement shall be brought in the State Courts of Galveston County, Texas.

J. State Law Requirements.

1. Iran, Sudan and Foreign Terrorist Organizations. The Developer represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website:

https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf,

https://comptroller.texas.gov/purchasing/docs/iran-list.pdf, or https://comptroller.texas.gov/purchasing/docs/fto-list.pdf.

The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and excludes the Developer and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Developer understands "affiliate" to mean any entity that controls, is controlled by, or is under common control with the Developer and exists to make a profit. Notwithstanding anything contained herein, the representations and covenants contained in this Section shall survive termination of the Agreement until the statute of limitations has run.

2. Anti-Boycott Verification. The Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and, will not boycott Israel during the Term. The foregoing verification is made solely to comply with Section 2271.002, Texas Government Code. As used in the foregoing verification, "boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The Developer understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Developer and exists to make a profit. Notwithstanding anything contained herein, the representations and covenants contained in this Section shall survive termination of the Agreement until the statute of limitations has run.

3. Petroleum. The Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the Term. The foregoing verification is made solely to enable the City to comply with such Section. As used in the foregoing verification, "boycott energy companies" shall mean, without an ordinary business purpose, refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations with a company because the company (A) engages in the exploration, production, utilization, transportation, sale, or manufacturing of fossil fuel-based energy and does not commit or pledge to meet environmental standards beyond applicable federal and state law; or (B) does business with a company described by (A) above. The Developer understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Developer within the meaning of SEC Rule 133(f), 17 C.F.R. §230.133(f), and exists to make a profit. Notwithstanding anything contained herein, the representations and covenants contained in this

Section shall survive termination of the Agreement until the statute of limitations has run.

4. Firearms. The Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate during the Term against a firearm entity or firearm trade association. The foregoing verification is made solely to enable the City to comply with such Section. As used in the foregoing verification, "discriminate against a firearm entity or firearm trade association": (a) means, with respect to the firearm entity or firearm trade association, to: (i) refuse to engage in the trade of any goods or services with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association; (ii) refrain from continuing an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association; or (iii) terminate an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association and (b) does not include: (i) the established policies of a merchant, retail seller, or platform that restrict or prohibit the listing or selling of ammunition, firearms, or firearm accessories; and (ii) a company's refusal to engage in the trade of any goods or services, decision to refrain from continuing an existing business relationship, or decision to terminate an existing business relationship: (aa) to comply with federal, state, or local law, policy, or regulations or a directive by a regulatory agency; or (bb) for any traditional business reason that is specific to the customer or potential customer and not based solely on an entity's or association's status as a firearm entity or firearm trade association. As used in the foregoing verification, (a) "firearm entity" means a manufacturer, distributor, wholesaler, supplier, or retailer of firearms (i.e., weapons that expel projectiles by the action of explosive or expanding gases), firearm accessories (i.e., devices specifically designed or adapted to enable an individual to wear, carry, store, or mount a firearm on the individual or on a conveyance and items used in conjunction with or mounted on a firearm that are not essential to the basic function of the firearm, including detachable firearm magazines), ammunition (i.e., a loaded cartridge case, primer, bullet, or propellant powder with or without a projectile) or a sport shooting range (as defined by Section 250.001, Texas Local Government Code), and (b) "firearm trade association" means a person, corporation, unincorporated association, federation, business league, or business organization that: (i) is not organized or operated for profit (and none of the net earnings of which inures to the benefit of any private shareholder or individual); (ii) has two or more firearm entities as members; and (iii) is exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, as an organization described by Section 501(c) of that code. The Developer understands "affiliate" to mean an entity that controls,

is controlled by, or is under common control with the Developer within the meaning of SEC Rule 133(f), 17 C.F.R. §230.133(f), and exists to make a profit. Notwithstanding anything contained herein, the representations and covenants contained in this Section shall survive termination of the Agreement until the statute of limitations has run.

K. No Arbitration. Notwithstanding anything to the contrary contained in this Agreement, the Parties hereby agree that no claim or dispute between the Parties arising out of or relating to this Agreement shall be decided by any arbitration proceeding including, without limitation, any proceeding under the Federal Arbitration Act (9 U.S.C. Sections 1 - 14), or any applicable State arbitration statute, including, but not limited to, the Texas General Arbitration Act, provided that in the event the City or the Zone Board is subjected to an arbitration proceeding notwithstanding this provision, the Developer consents to be joined in the arbitration proceeding if the Developer's presence is required or requested by the City or the Zone Board for complete relief to be recorded in the arbitration proceeding.

L. Entire Agreement. This Agreement represents the final agreement between the Parties and may not be contradicted by evidence of prior, contemporaneous, or subsequent oral agreements of the Parties. There are no unwritten oral agreements between the Parties.

M. Approval by the Parties. Whenever this Agreement requires or permits approval or consent to be hereafter given by any of the Parties, the Parties agree that such approval or consent shall not be unreasonably conditioned, withheld or delayed.

N. Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same agreement.

O. Interpretation. This Agreement has been jointly negotiated by the Parties and shall not be construed against a Party because that Party may have primarily assumed responsibility for the drafting of this Agreement.

[EXECUTION PAGES FOLLOW]

IN TESTIMONY OF WHICH this instrument has been executed in multiple counterparts, each of equal dignity and effect, on behalf of the Developer and the City effective as of the date of execution by the City.

REINVESTMENT ZONE NUMBER TWO, CITY OF FRIENDSWOOD		**CITY OF FRIENDSWOOD, TEXAS**
By:____________________________ Mike Foreman Chair of the Board of Directors		By:____________________________ Morad Kabiri City Manager Execution Date: ________________
ATTEST: By:____________________________ Name:__________________________ Title:___________________________		ATTEST: By:____________________________ Leticia Brysch City Secretary
		APPROVED AS TO FORM: By:____________________________ Karen L. Horner City Attorney

DEVELOPER:

CASTLE BIOSCIENCES, INC.

By:_____________________________

Name: __________________________

Title: ___________________________

EXHIBIT A

PROPERTY

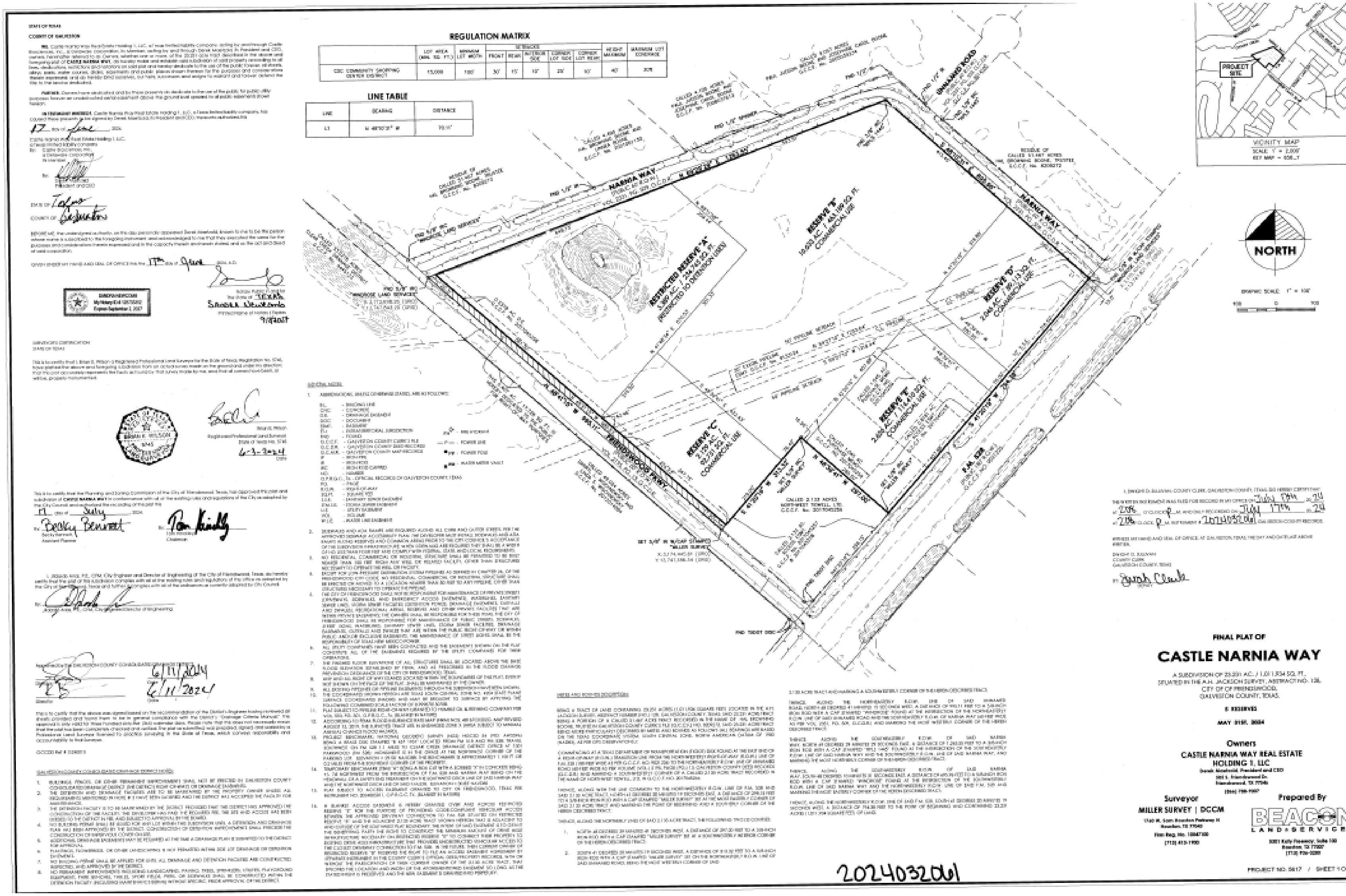


EXHIBIT B

PUBLIC IMPROVEMENTS

Public Improvements include the public infrastructure shown in **Exhibit B-1**, including but not limited to public infrastructure associated with the following permit numbers:

PLT2024-1543 - Castle Narnia Way Final Plat, recorded July 17, 2024, in the Galveston County Records under Document Number 2024032061

EAR2024-1447 - Clearing and grubbing work, including removal of existing trees, issued April 23, 2024

SUB2024-1609 - DETENTION & DRAINAGE FOR CASTLE NARNIA WAY

COM2024-3066 – 8″ public water line

Public Improvements shall also include the additional public infrastructure listed in the cost estimate set forth below that is permitted after the Effective Date.

Castle Bioscience

Public Infrastructure | Friendswood, Texas

Description	Qty.	Unit	Unit Price	Amount	Anticipated Completion
LAND					
Land Cost	234,788.4	SF	$ 7.25	$ 1,702,215.90	2024
Clearing and Grubbing / Site Preparation	1	LS		$ 216,040.00	2024
Storm Water Pollution Prevention	1	LS		$ 30,350.10	2024
Construction Staking Services	1	LS		$ 8,250.00	2024
Material Testing	1	LS		$ 20,000.00	2024
Landscaping	1	LS		$ 44,804.40	2025
ONSITE PUBLIC INFRASTRUCTURE					
Public fire water loop	1	ls		$ 258,500.00	2024
PUBLIC STORM WATER COLLECTION SYSTEM					
54-Inch, CLIII R/G, RCP Storm Sewer	215	LF		$ 657,800.00	2024
48-Inch, CLIII R/G, RCP Storm Sewer	748	LF		w/ above	2024
42-Inch, CLIII R/G, RCP Storm Sewer	135	LF		w/ above	2024
Standard Type "C" Manhole (48"-72")	7	EA		w/ above	2024
Reinforced Concrete Slope Paving/Rip Rap	50	SY		w/ above	2024
Chigger Creek Outfall	1	LS		w/ above	2024
DETENTION BASIN					
Detention Basin Excavation On-Site Disposal	56,490	CY		$ 482,185.00	2024
5-Foot Wide Concrete Lined Pilot Channel	1,100	LF		$ 104,264.60	2024
Reinforced Concrete Slope Paving	30	SY		w/ above	2024
Backslope Interceptor Structure	6	EA		w/ above	2024
Backslope Swale	2,697	LF		$ 28,267.80	2024
Turf Establishment of Detention Pond	8	AC		$ 12,802.90	2025
Floatable Collection Screen	1	LS		w/ above	2025
CONTRACTOR FEES					
Insurance				$ 7,154.40	2024
General Conditions				$ 121,841.50	2024
General Requirements				$ 70,947.80	2024
Fee				$ 47,847.80	2024
MANAGEMENT & FEES					
Permitting Fees				$ 65,000.00	2024
Engineering Fees				$ 250,000.00	2024
Management Fee			5.00%	$ 121,302.82	2024
Maintenance Bond				$ 20,000.00	2024
FRIENDSWOOD PARKWAY ROAD EXTENSION					
Clearing and Grubbing / Site Preparation	1	LS		$ 24,401.00	2025
Excavation, Paving and Traffic Improvements	1	LS		$ 437,707.40	2025
Public Storm Water Collection System	1	LS		$ 271,128.00	2025
Storm Water Pollution Prevention	1	LS		$ 14,664.73	2025
Construction Staking Services	1	LS		$ 18,330.91	2025
Material Testing	1	LS		$ 50,000.00	2025
Landscaping	1	LS		$ 150,000.00	2025
Permitting Fees	1	LS		$ 14,145.82	2025
Engineering Fees	1	LS		$ 113,166.58	2025
Management Fee			5.00%	$ 54,677.22	2025
Total				**$ 5,417,796.67**	

The total amount of the TIRZ Contribution for the Public Improvements Costs may not exceed the TIRZ Contribution as defined in the Agreement.

EXHIBIT B-1

MAP OF PUBLIC IMPROVEMENTS

PROJECT NAME	PROPOSED DRAINAGE AND DETENTION FACILITIES TO SERVE CITY OF FRIENDSWOOD			
DETENTION BASIN AREA	4.318			ACRES
SERVICE AREA* (TO SERVE PRIVATE DEVELOPMENT)	24.84			ACRES
SERVICE AREA* (TO SERVE FUTURE PUBLIC ROW)	3.16			ACRES
TOTAL SERVICE AREA	28.00			ACRES
DETENTION STORAGE RATE**	1.271			ACRE-FEET/ACRE
DETENTION STORAGE REQUIRED	35.60			ACRE-FEET
DETENTION STORAGE PROVIDED	35.75			ACRE-FEET
FLOODPLAIN FILL MITIGATION VOLUME	0			ACRE-FEET
STORM EVENT	20% (5-YEAR)	10% (25 -YEAR)	1% (100-YEAR)	POND MAXIMUMS
DETENTION WATER SURFACE ELEVATION	24.00	27.30	30.70	
MAXIMUM ALLOWABLE OUTFLOW (CFS)	18.20	25.50	32.50	
MAXIMUM OUTFLOW PROVIDED (CFS)	17.50	24.90	31.20	
OUTFALL & RESTRICTOR	42" RCP outfall w/1.25' (15") diameter restrictor opening			

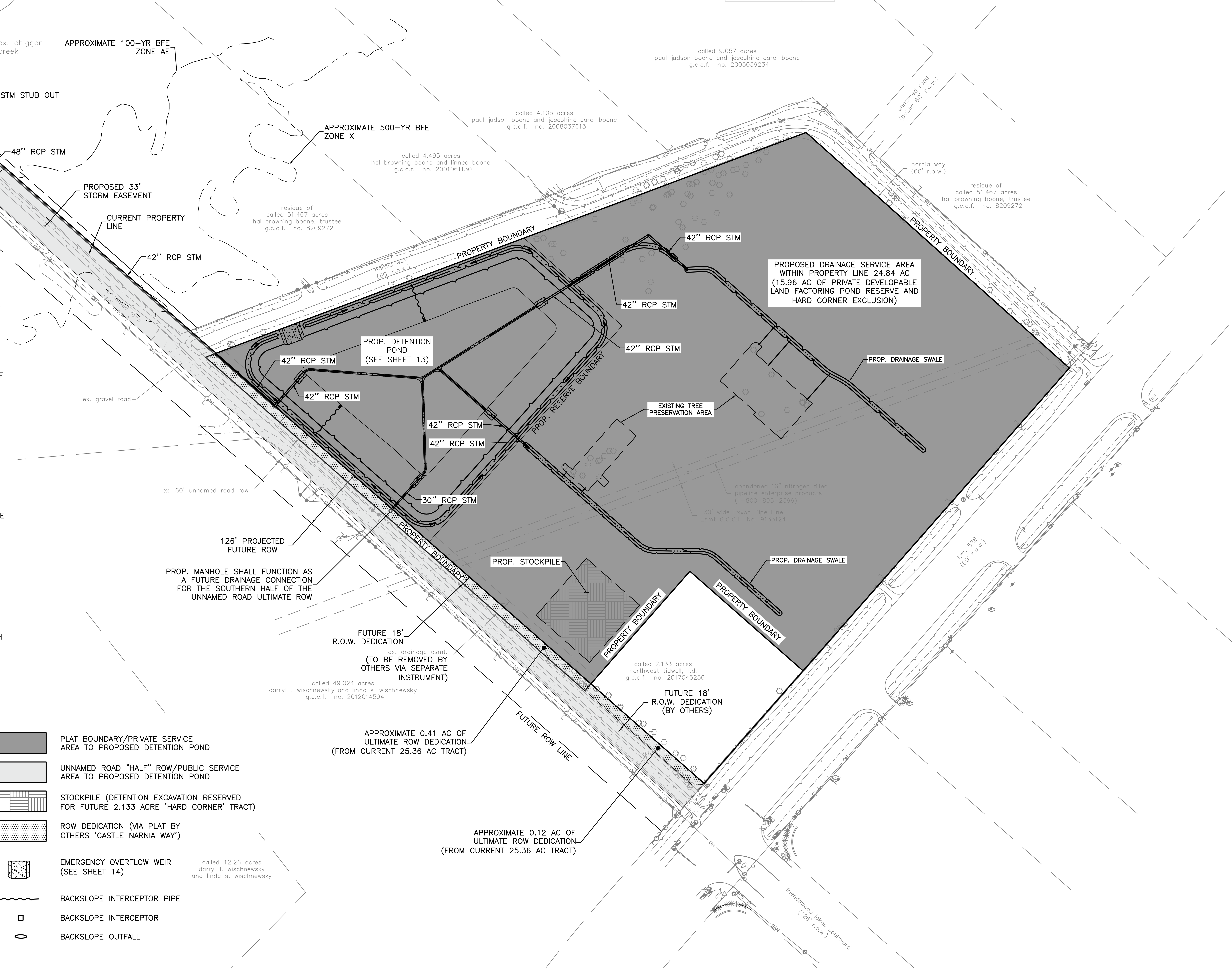
* REF. SHEETS 9 & 10 FOR THE PROPOSED DRAINAGE AREA MAPS

** REF. SHEET 11 & 12 FOR DRAINAGE AND DETENTION CALCULATIONS

Time of Concentration Calculation (Exist. Condition)		
$T_c=D_F/(60*V)+10$		
D_F (Flow distance)	842	ft
V (Avg. velo of runoff)	2	ft/sec
D_F (Flow distance)	1732	ft
V (Avg. velo of runoff)	0.5	ft/sec
T_c (Overland flow time)	74.8	min
T_c (Pre)	74.8	min

Intensity Calculation (Pre)	
$I=b/(T_c + d)^e$	
Galveston County 100-year Event	
e	0.641
b	76.2
d	6.2
I_{100} =	4.56

Drainage Area =	*28.00*	ac
Pre % Impervious =	*0.00%*	
1% Storm Peak Discharge Rate		
Pre Runoff Coef. (C_{pre}) =	0.20	
I =	4.56	
C_f =	1.25	
Allowable Peak Discharge =	**31.91**	**cfs**



called 2.130 acres city of friendswood g.c.a.d. id no. 1861314

called 4.4270 acres richard clay riassetto g.c.c.f. no. 2012068652

called 33.0276 acres clear creek drainage district g.c.c.f. no. 2001061130

NOTES:

1. CONTRACTOR SHALL FIELD VERIFY ALL EXISTING INFORMATION SHOWN ON PLANS PRIOR TO START OF CONSTRUCTION. IF A DISCREPANCY EXISTS BETWEEN WHAT IS SHOWN ON THE PLANS AND WHAT EXISTS IN THE FIELD, CONTRACTOR SHALL CONTACT ENGINEER FOR COORDINATION PRIOR TO COMMENCING CONSTRUCTION ACTIVITIES.
2. CONTRACTOR SHALL ENSURE EXISTING STORM SEWER SYSTEM REMAINS IN PROPERLY WORKING ORDER THROUGHOUT DURATION OF CONSTRUCTION ACTIVITIES.
3. LANDSCAPING WILL BE PROVIDED UPON DEVELOPMENT OF THE FUTURE DEVELOPMENT.
4. CHIGGER CREEK SHALL REMAIN UNDISTURBED AND FUNCTION DURING ALL CONSTRUCTION (CREEK SHALL BE COVERED UNDER A U.S. ARMY CORPS OF ENGINEERS (NO-PCM NWP 13)
5. CURRENT TRACT OF 25.36 AC SHALL DEDICATE AN 18' ROW STRIP (0.53 AC) TO ACCOMMODATE THE FUTURE UNNAMED ROAD ROW. TRACT AREA AFTER DEDICATION WILL BE 24.84 AC.
6. CITY OF FRIENDSWOOD AND DEVELOPMENT TEAM SHALL PROCEDURE THE NECESSARY 33' STORM SEWER EASEMENT CONVEYING THE PUBLIC STORM SEWER FROM THE PROPOSED DEVELOPMENT TO CHIGGER CREEK IN THE 8.52 ACRE TRACT TO THE NORTHWEST. UPON DEVELOPMENT, ADJACENT PROPERTY OWNER SHALL DEDICATE AN 18' ROW STRIP TO THE FUTURE UNNAMED ROAD ROW.
7. THE 2.133 ACRES ADJACENT TRACT TO THE SOUTH SHALL BE SUBJECT TO THE SAME 18' ROW STRIP AS THE SUBJECT PROPERTY UPON DEVELOPMENT. THE INTENT OF THIS DESIGN SHALL COVER DETENTION FOR THIS PARCEL IN THE PROPOSED DETENTION POND. A FUTURE STORM SEWER EASEMENT SHALL BE DEDICATED TO THIS TRACT UPON FUTURE SITE DEVELOPMENT.
8. UNNAMED ROAD ROW SHALL BE 126' IN WIDTH TO MATCH THE FRIENDSWOOD LAKE BOULEVARD'S ROW WIDTH FOR FUTURE DEVELOPMENT.
9. THE SUBJECT PROPERTY IS BEING PLATTED AS "CASTLE NARNIA WAY" CONCURRENTLY WITH THIS PLAN SET TO REFLECT ROW DEDICATION FOR THE FUTURE UNNAMED ROAD.

LEGEND

- PROPERTY BOUNDARY
- ADJACENT PROPERTY BOUNDARY
- PROPOSED STORM MANHOLE
- PROPOSED HIGHBANK
- PROPOSED SWALE CENTERLINE
- PROJECTED FUTURE ROW
- PROPOSED STORM EASEMENT
- PROPOSED PILOT CHANNEL
- EXISTING OVERHEAD POWER LINE AND POWER POLE W/ GUY WIRE
- EXISTING ASPHALT ROAD EDGE
- EXISTING HIGH BANK
- EXISTING DITCH CENTERLINE
- EXISTING PIPELINE
- EXISTING BARBED-WIRE FENCE
- EXISTING GRAVEL ROAD
- EXISTING POSTS AND GATE
- EXISTING TREES
- PLAT BOUNDARY/PRIVATE SERVICE AREA TO PROPOSED DETENTION POND
- UNNAMED ROAD "HALF" ROW/PUBLIC SERVICE AREA TO PROPOSED DETENTION POND
- STOCKPILE (DETENTION EXCAVATION RESERVED FOR FUTURE 2.133 ACRE 'HARD CORNER' TRACT)
- ROW DEDICATION (VIA PLAT BY OTHERS 'CASTLE NARNIA WAY')
- EMERGENCY OVERFLOW WEIR (SEE SHEET 14)
- BACKSLOPE INTERCEPTOR PIPE
- BACKSLOPE INTERCEPTOR
- BACKSLOPE OUTFALL

GRAPHIC SCALE IN FEET

100' 50' 0 100'

BENCHMARK(S) / FLOODPLAIN

BENCHMARK/FLOODPLAIN:
ACCORDING TO THE FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA) FLOOD INSURANCE RATE MAP NO. 48167C0202G, EFFECTIVE DATE OF 08/15/2019, THE SURVEYED PROPERTY LIES WITHIN ZONE "X" (UNSHADED), AREAS DETERMINED TO BE OUTSIDE THE 0.2% ANNUAL CHANCE FLOODPLAIN.

SEE SHEET 3 FOR BENCHMARK NOTES.

APPR.	REVISION	DATE

ODYSSEY ENGINEERING GROUP
2500 Tanglewilde Street, Suite 300
Houston, Texas 77063
t: 281.306.0240 | www.odysseyeg.com
TBPE No. F-17637

STATE OF TEXAS
SETH LANE SAMUELSON
133489
LICENSED PROFESSIONAL ENGINEER
05/28/2024

CITY OF FRIENDSWOOD
GALVESTON COUNTY, TEXAS

910 Friendswood Drive
Friendswood, Texas 77546

UNNAMED ROAD/FM 528 23-ACRE DEVELOPMENT
PROPOSED DRAINAGE AND DETENTION FACILITIES TO SERVE CITY OF FRIENDSWOOD
GCCDD REF. NO. G240013

OVERALL LAYOUT

SURV.	BJN	DATE	11/09/2023
DSGN.	LN/JPS	DATE	02/01/2024
DWN.	DBD	DATE	02/01/2024
CHKD.	SLS	DATE	02/02/2024
APPR.	SLS	DATE	04/16/2024

JOB NO. 23-041-02

IMAGE NO. I-2304100-02

SCALE:
HORIZ. 1" = 100'
VERT. 1" = X'

SHEET 7 OF 24 SHEETS

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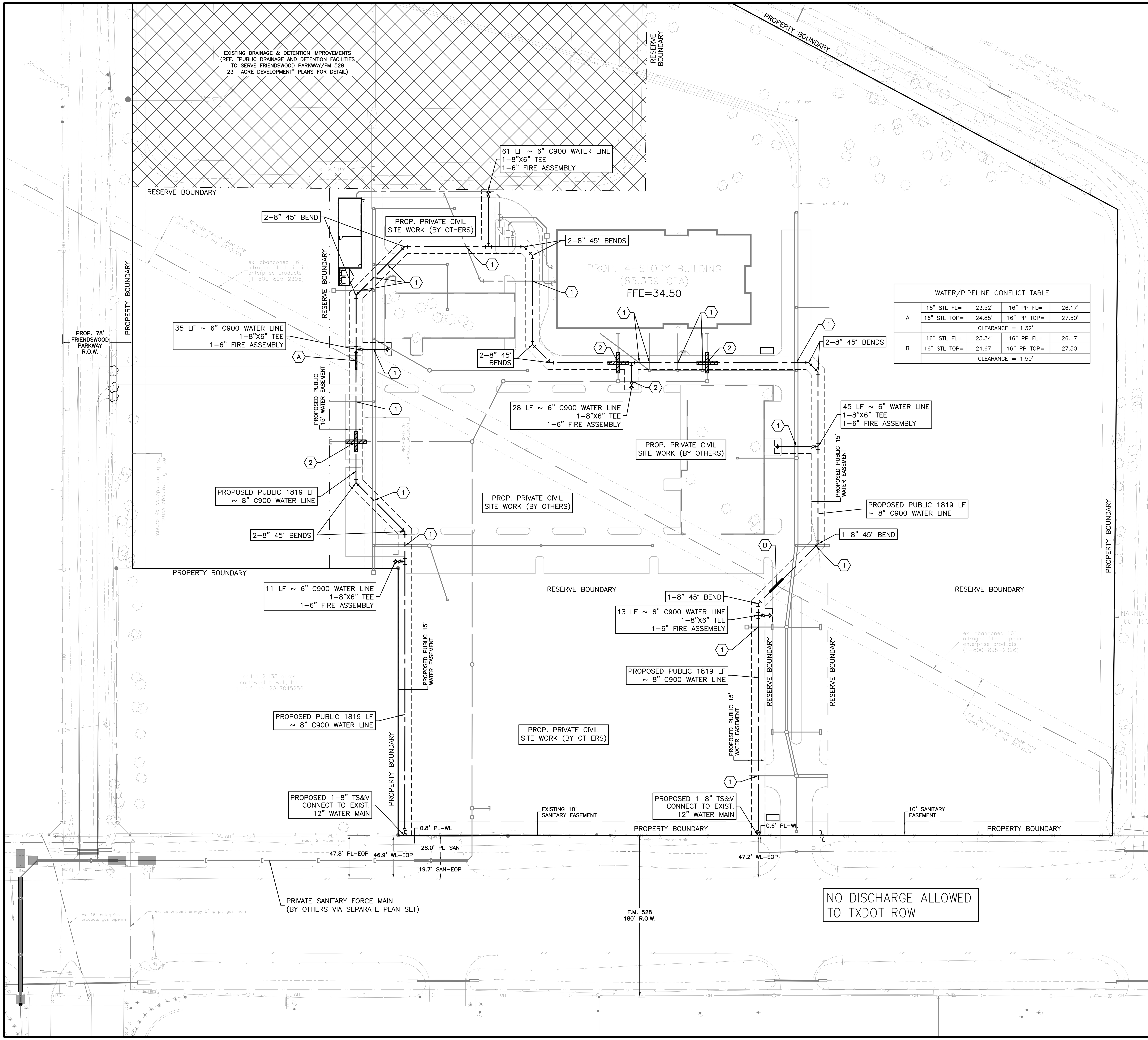

WATER/PIPELINE CONFLICT TABLE				
A	16" STL FL=	23.52'	16" PP FL=	26.17'
	16" STL TOP=	24.85'	16" PP TOP=	27.50'
	CLEARANCE = 1.32'			
B	16" STL FL=	23.34'	16" PP FL=	26.17'
	16" STL TOP=	24.67'	16" PP TOP=	27.50'
	CLEARANCE = 1.50'			

LEGEND:

- PROPERTY LINE
- RESERVE BOUNDARY
- ADJACENT PROPERTY LINE
- PROPOSED BUILDING (BY OTHERS)
- PROPOSED 6" CURB (BY OTHERS)
- PROPOSED WATER EASEMENT
- PROPOSED SANITARY LINE (BY OTHERS)
- PROPOSED WATER LINE
- PROPOSED STORM LINE
- existing storm sewer
- existing sanitary sewer
- existing water main
- existing easement
- existing overhead power
- existing fence
- existing ditch highbank
- existing ditch centerline
- existing swale
- existing edge of pavement
- existing pipeline
- existing pipeline marker
- existing power pole
- existing fire hydrant
- existing storm manhole
- existing storm inlet
- existing light standard
- existing sign
- PROPOSED STORM INLET (BY OTHERS)
- PROPOSED STORM MANHOLE (BY OTHERS)
- PROPOSED BACKFLOW PREVENTOR (BY OTHERS)
- PROPOSED WATER METER (BY OTHERS)
- PROPOSED FIRE HYDRANT
- PROPOSED GATE VALVE
- PROPOSED T.S.&V.
- PROPOSED CLEANOUT
- PROPOSED SAN. SEWER/WATERLINE CROSSING. SEE KEY NOTE 2, BELOW.
- EXISTING TREE
- EXISTING CULVERT
- EXISTING DETENTION IMPROVEMENTS

GRAPHIC SCALE IN FEET

Texas 811
Know what's below. Call before you dig.
CALL BEFORE YOU DIG!
TEXAS 811 CALL PARTICIPANTS REQUEST 48 HOURS NOTICE BEFORE YOU DIG, DRILL, OR BLAST – STOP CALL
Texas 811 Call System
811 or 1-800-344-8377

WARNING:

OVERHEAD AND UNDERGROUND UTILITIES MAY EXIST IN THE VICINITY OF THIS PROJECT. LOCATIONS SHOWN FOR EXISTING UTILITIES ARE APPROXIMATE AND OTHER UTILITIES MAY EXIST IN THE VICINITY OF THE PROJECT WHICH ARE NOT SHOWN IN THE PLANS.

IT IS THE RESPONSIBILITY OF THE CONTRACTOR TO LOCATE ALL EXISTING UTILITIES IN THE VICINITY OF THE PROJECT PRIOR TO BEGINNING CONSTRUCTION.

BENCHMARK(S) / FLOODPLAIN

BENCHMARK/FLOODPLAIN:
ACCORDING TO THE FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA) FLOOD INSURANCE RATE MAP NO. 48167C0202G, EFFECTIVE DATE OF 08/15/2019, THE SURVEYED PROPERTY LIES WITHIN ZONE "X" (UNSHADED), AREAS DETERMINED TO BE OUTSIDE THE 0.2% ANNUAL CHANCE FLOODPLAIN.

SEE SHEET 3 FOR BENCHMARK NOTES.

APPR.	REVISION	DATE

NOTES:

1. PRIVATE STORM DRAINAGE PIPES AND STRUCTURES ARE PROPOSED BY OTHERS VIA SEPARATE PLAN SET.
2. PRIVATE SANITARY PIPES AND MANHOLES ARE PROPOSED BY OTHERS VIA SEPARATE PLAN SET.
3. CONTRACTOR TO FIELD VERIFY EXISTING PUBLIC 12" WATER LINE DEPTH ALONG SOUTHERN PROPERTY LINE.
4. CONTRACTOR PROPOSED PUBLIC WATER LINES IN THIS PLAN SET SHALL BE PAVED OVER IN A PRIVATE IMPROVEMENT PLAN SET BY OTHERS. A JOINTING PLAN IN THAT PLAN SET SHALL PROVIDE PROPER.
5. CONTRACTOR TO COORDINATE PUBLIC WATERLINE CONNECTION INTO PUBLIC SYSTEM WITH CITY OPERATOR PRIOR TO PROCUREMENT AND CONSTRUCTION.
6. CONTRACTOR TO ENSURE EACH FIRE HYDRANT TO SIT FLUSH WITH FINISHED GRADE AS INDICATED IN THE SEPARATE PLAN SET BY OTHERS (CONTRACTOR TO REFERENCE THAT PLAN SET FOR ELEVATION DIRECTION).
7. DRY UTILITY ROUTING, CONDUIT, DESIGN AND DETAILS ARE TO BE PERFORMED BY OTHERS. THIS INCLUDES BUT NOT LIMITED TO ELECTRICAL, GAS, AND FIBER OPTIC.
8. ALL PROPOSED ON–SITE (OUT OF EASEMENT) STORM AND SANITARY SEWER FACILITIES ARE PRIVATE AND WILL NOT BE OWNED OR MAINTAINED BY A PUBLIC AGENCY.
9. EX. ABANDONED 16" ENTERPRISE PRODUCTS (EPROD) PIPELINE SHALL NOT REQUIRE APPROVAL FOR CROSSING SINCE THE PIPELINE IS ABANDONED AND CONFIRMED BY EPROD.
10. WHEN WATER AND SEWER MAINS, SERVICES, AND LATERALS ARE INSTALLED, THEY SHALL BE INSTALLED NO CLOSER TO EACH OTHER THAN 9' IN ALL DIRECTIONS AND PARALLEL LINES MUST BE INSTALLED IN SEPARATE TRENCHES. WHERE THE 9' SEPARATION DISTANCE CANNOT BE ACHIEVED, THE FOLLOWING TCEQ CHAPTERS SHALL APPLY:
    - 10.1. TCEQ CHAPTER 217.53 PIPE DESIGN, SECTION (d) SEPARATION DISTANCS.
    - 10.2. TCEQ CH. 290.44 WATER DISTRIBUTION, SECTION (e) LOCATION OF WATERLINES.

KEY NOTES:

1. CONTRACTOR TO ENSURE 1–FT MINIMUM CLEARANCE BETWEEN STORM SEWER AND WATER LINE.
2. CONTRACTOR TO ENSURE 2–FT MINIMUM CLEARANCE BETWEEN SANITARY MAIN AND WATER LINE.

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STATE OF TEXAS
SETH LANE SAMUELSON
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LICENSED PROFESSIONAL ENGINEER
07/24/2024

CITY OF FRIENDSWOOD
GALVESTON COUNTY, TEXAS

910 Friendswood Drive
Friendswood, Texas 77546

GALVESTON COUNTY CONSOLIDATED DRAINAGE DISTRICT
PUBLIC WATER LINE NARNIA WAY

UTILITY PLAN

SURV.	BJN	DATE	11/09/2023
DSGN.	LN/JPS	DATE	02/01/2024
DWN.	DBD	DATE	02/01/2024
CHKD.	SLS	DATE	04/05/2024
APPR.	SLS	DATE	04/05/2024

JOB NO. 23-041-04

IMAGE NO. I-2304100-04

SCALE:
HORIZ. 1" = XX'
VERT. 1" = X'

SHEET 7 OF 12 SHEETS

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NARNIA WAY

Friendswood, Texas

FRIENDSWOOD PARKWAY ROAD EXTENSION

ODYSSEY ENGINEERING GROUP
2500 Tanglewilde Street, Suite 300
Houston, Texas 77063
t: 281.306.0240 | www.odysseyeg.com
TBPE No. F-17637

05/30/2024

Graphic Scale in Feet

50' 25' 0 50'

P:\23-041-03\Docs\PCE\Narnia Way_20240528_Road Extension\PCE\Friendswood Parkway Road Extension.dwg May 30, 2024-4:46pm