

November 26, 2018

Memorandum

TO: City Council of Deer Park, Texas

FROM: Chad Parrish - Molto Properties

RE: 739 Independence Parkway: +/- 37 Acres Annexation and Utility Extensions

Objective: To voluntarily annex and provide public utility access and other City services to a +/- 37 acre parcel located at 739 Independence Parkway (the "Property").

Site Description: The Property is currently a vacant, undeveloped land parcel that was formally developed with a chemical manufacturing plant. The proposed use is two Class A industrial/office/warehouse buildings featuring concrete tilt-wall construction totaling 555,000 square feet or greater. The Property is currently outside the limits of the City of Deer Park. The Property lies in the Extraterritorial Jurisdiction (ETJ) of the City of Deer Park and is in the Industrial District. See attached Exhibit A on page 3 for an overview of the site's location and Exhibit C on page 5 for a conceptual site plan.

Developer: The project developer is Molto Properties, a privately held industrial real estate developer and investor. See Exhibit E on page 7 for informational materials on Molto Properties.

Owner/ Applicant: The current owner and applicant is Geo Specialty Chemicals, Inc. The property will be transferred to the Developer during the annexation process.

Contiguous Property to City Limit line: The Owner/Applicant and Developer will acquire a 1' minimum fee simple interest ("the Fee Strip") from the existing City Limit boundary on the north side of Loves Travel Stop to the proposed annexation property boundary. See Exhibit B on page 4 for details of the Fee Strip location.

Timing: The Developer is currently under contract to acquire the Property and is within the Due Diligence period of the contract. The Developer must complete its Due Diligence and obtain all necessary approvals, agreements, etc. or obtain comfort regarding the level of support for the development of the Property by January 20, 2019. The Owner/Applicant plans to submit a formal request by December 10th for hearing on December 18th City Council Meeting.

History: The Property in question is a well-located parcel with excellent access to Independence Parkway and State Highway 225 (Pasadena Freeway). Much of the Highway 225 corridor is developed with a mix of commercial, industrial, heavy manufacturing, and chemical plants, among other uses. The commercial parcels in the immediate proximity adjacent to the Property are semi-developed due to the lack of public utilities. The heavy industrial and manufacturing plants in the area utilize private utilities. The subject Property was previously a chemical plant that was shuttered in the early to mid-1990s. The Property has been relatively idle for at least 20 years.

Case Study: In 2012 Loves Travel Stop acquired a +/- 12 acre parcel at the northwest corner of State Highway 225 and Independence Parkway. Loves petitioned the City of Deer Park for voluntary annexation and utilities and obtained approval to annex in the summer of 2012. Loves obtained engineering approval in September 2012 to extend public water and a private force main to connect

to the City of Deer Park. The Developer intends to pursue a similar annexation plan as Loves. See attached Exhibit D on page 6 for a copy of the approved utility plan for Loves Travel Stop.

Utility Route: Several options were explored to gain utility access factoring in distance, constructability, cost, Right of Way impacts, and future maintenance. The Developer and City Staff conducted numerous meetings to discuss the route and conceptual plans. The proposed route is detailed below. See attached Exhibit B on page 4 for details on the utility route.

Water: A 10" water line will be extended from the existing line terminating at the east property line of Loves Travel Stop. The existing line is located in a public utility easement. The line extension will be routed within the Harris County ROW (along Independence Parkway) and the Developer proposes to continue that route until it reaches the subject Property.

Sewer: A private sanitary sewer lift station will be located on the subject site. A 4" private force main will extend approximately 5000 feet in the Harris County ROW, the TXDOT ROW and the City of Deer Park ROW and connect to a City sanitary sewer manhole in E. 13th Street.

Cost: The Developer intends to pay for the cost of the utility extension.

Cost/Benefit/Impact: The proposed Project will add approximately \$40,000,000 of assessed value to the Property. The City will benefit from the additional value and the City taxes after annexation eliminates the Industrial District Agreement. The proposed project will have a relatively low impact on the City's resources as typical industrial/warehouse and distribution uses are low consumers of water and sewer.

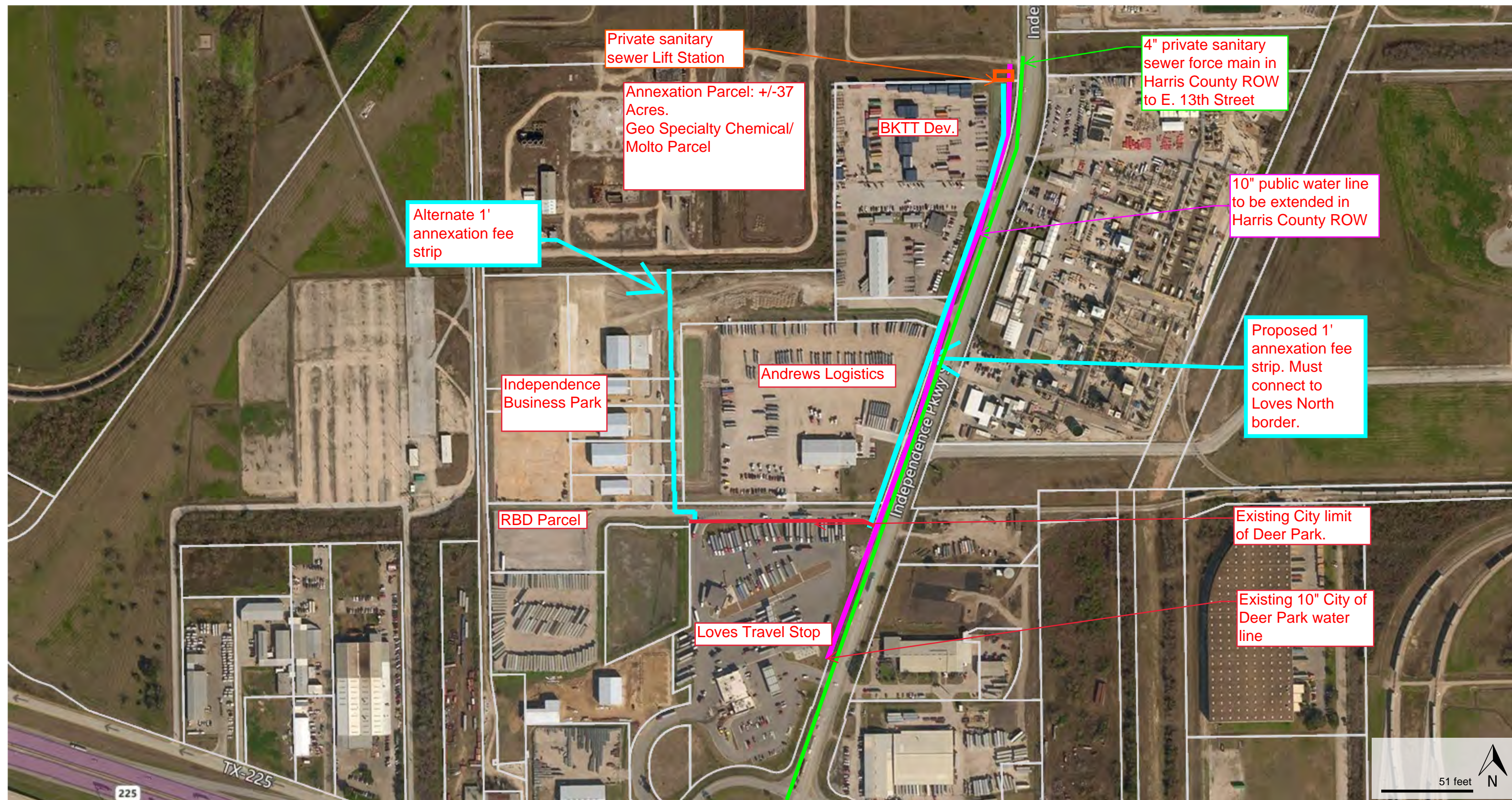
Phase II: The Developer and Owner/ Applicant are contemplating a second phase to the project that will include +/- 12 acres and an additional +/-175,000 SF industrial/warehouse/distribution building. If the transaction materializes, this will be included in the initial annexation request.

Formal Request: The Owner/Applicant and Developer intend to make a formal request for annexation to the City Council. The target date is the December 18th City Council meeting, pending acquisition of the fee strips required to obtain a contiguous property to the existing City Limit.

Exhibit A

Phase II:
+/- 12 ac

Phase I:
+/- 37 ac



SITE PLAN - OPTION 6b

SITE AREA = 36.96 AC (1,609,965 SF)	BUILDING AREA = 555,200 SF	COVERAGE = 34.49%	
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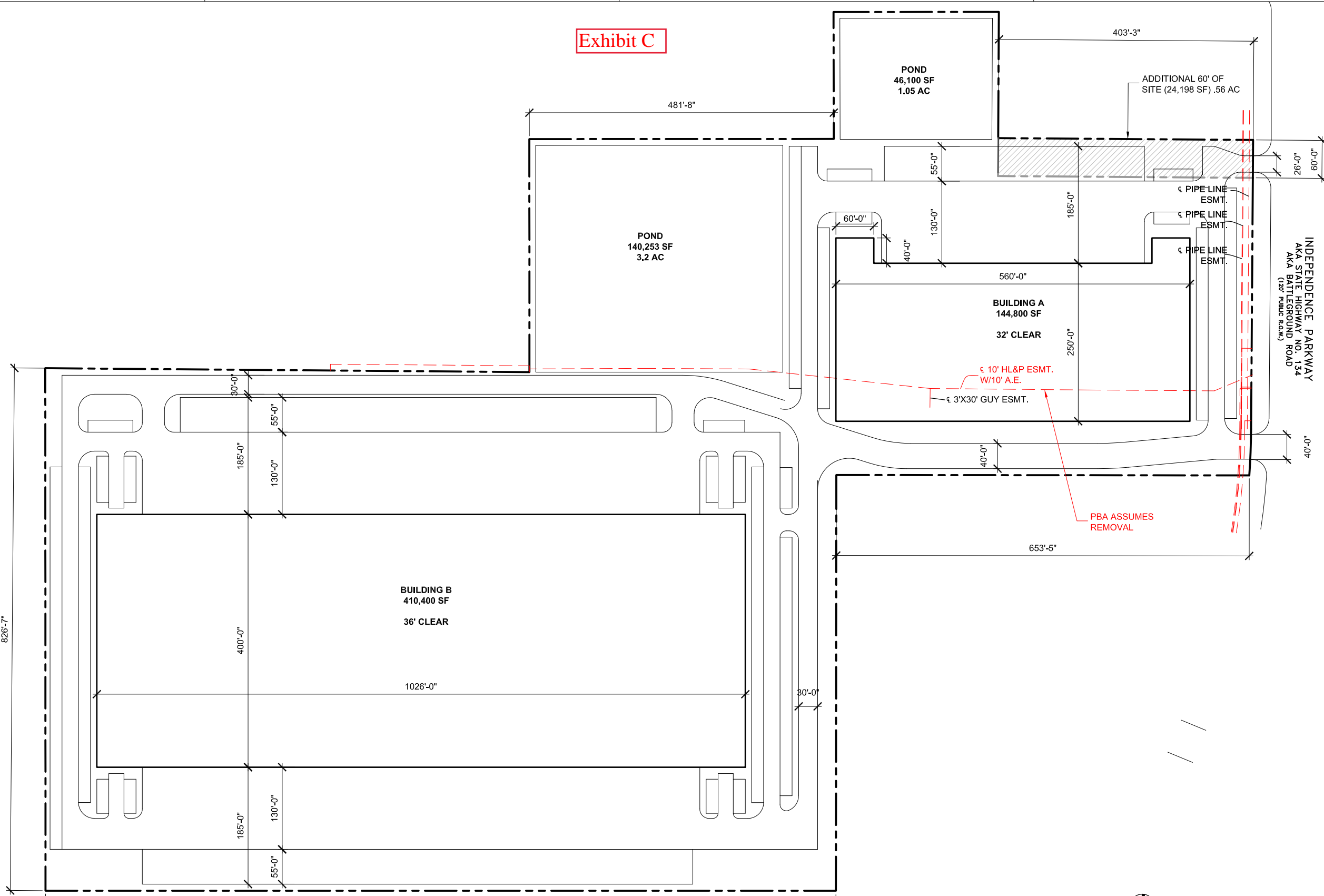
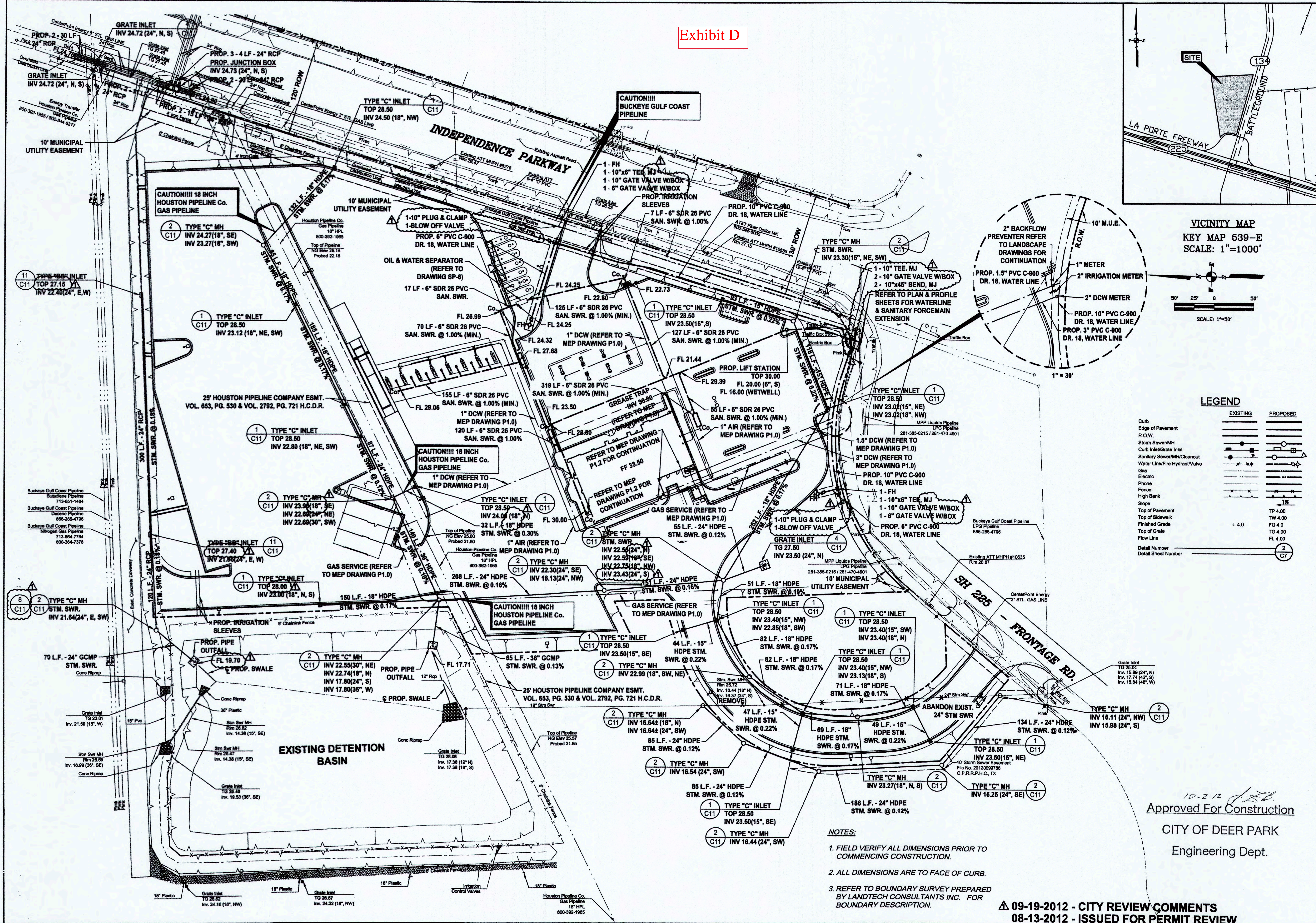


Exhibit C

INDEPENDENCE PKWY
a project for
MOLTO



⚠ 09-19-2012 - CITY REVIEW COMMENTS
08-13-2012 - ISSUED FOR PERMIT REVIEW

OWNERS, INVESTORS & DEVELOPERS OF INDUSTRIAL REAL ESTATE

ACQUISITIONS | SALE LEASEBACKS | VACANT BUILDINGS | BUILD-TO-SUITS | SPECULATIVE DEVELOPMENT

ESTABLISHED LEADERS... AN ENTREPRENEURIAL SPIRIT

With over 50 years of combined experience, Molto Properties is a privately held, entrepreneurial industrial real estate firm with over four million square feet of industrial properties under management. Started in 2008, the company focuses on the acquisition, development and operation of quality industrial real estate primarily in the central portion of the U.S.

• BROAD INDUSTRIAL EXPERIENCE

An established history as both operators and investors, the team has unique and extensive backgrounds in operating, acquiring and developing industrial real estate. The senior team has acquired or developed over \$1.2 billion in industrial real estate.

• LOCAL MARKET EXPERTISE

Our established relationships with brokers and tenants along with our deep market knowledge, has created a track record of successful investing in core and value-add opportunities.

• WIDE RANGE OF TRANSACTION CAPABILITIES

We're actively pursuing investment opportunities such as stabilized properties, short and long-term sale leasebacks, vacant buildings, redevelopments, bank notes, build-to-suits and land for speculative development.

• ENTREPRENEURIAL PLATFORM WITH COMMITTED CAPITAL

Committed capital and a strong balance sheet allows us the freedom to explore entrepreneurial opportunities, be true to our word and close quickly.



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PROJECT TEAM

Meet the expert and entrepreneurial team members of Molto Properties.



Todd A. Naccarato

Founder, Managing Principal

Todd is the founder and Senior Principal of Molto Properties. Prior to founding Molto, he spent the prior 20 years as a Senior Vice President of Wilton Industries, a leading consumer products company that manufactures, markets and distributes products to major domestic retailers and customers across the world. His diverse Wilton experience included acquiring, as well as development and the operation of commercial real estate. Todd received his Bachelor's degree in Business Administration from St. Norbert's College and is a licensed real estate broker.



Michael Powers

Senior Principal

Michael became Chief Investment Officer and Senior Principal of Molto Properties in November 2016. He joined Molto Properties in 2014 and leads the creation and implementation of the capital deployment strategy for the company. Previously, Michael worked for Zilber Property Group where he was responsible for expanding the portfolio through acquisition and development. Prior to that, Michael spent ten years at First Industrial Realty Trust, most recently as Regional Development Officer in the Chicago & Milwaukee markets. Michael earned his Bachelor degree in Economics from the University of Wisconsin-Madison. His professional affiliations include AIRE, and Michael also serves on the board of the Chicago chapter of NAIOP.



Chad Parrish
Vice President

With over a decade of development and investment experience, Chad Parrish is the Vice President of Molto Properties for the Southern Region. Operating primarily in the Texas markets, he is in charge of implementing a capital deployment strategy for his region. He has multi-market experience, making him uniquely suited to capitalize on market trends. Prior to joining Molto, Chad held various positions at First Industrial Realty Trust. He is responsible for a wide array of Molto's operations in Texas including acquisitions, speculative developments, land acquisitions, entitlements, and redevelopment. Chad is a graduate of University of Missouri Trulaske College of Business and received a MBA in Finance from University of Missouri-Columbia College of Business.



Anthony Cincinelli
Vice President, Construction and Development

Anthony Cincinelli is Director of Construction and Development for Molto Properties. He has more than 15 years of engineering, construction and project management experience. Prior to joining Molto, Anthony was a Project Executive and Director of Business Development at McShane Construction Company. He was involved on a wide range of construction projects including industrial warehouse and distribution, manufacturing, corporate headquarters, mid-rise office, higher education, medical office, multi-family residential and LEED-certified projects. He holds a bachelor's degree in Civil Engineering from the University of Illinois Champaign-Urbana.

NOTABLE TENANTS / CLIENTS

