



NEWS RELEASE

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Township Approves Participation in Regional Economic Development Project at Lone Star Airport

THE WOODLANDS, TEXAS (July 30, 2014) – The Woodlands Township Board of Directors approved participation in a regional economic development project at their meeting on July 24, 2014. The Township Board authorized participation in the development of a new customs facility to be constructed at Lone Star Executive Airport. After receiving a presentation and recommendation from The Woodlands Area Economic Development Partnership, the Township Board determined that the customs facility would be beneficial to the economic development of The Woodlands for both existing and new business prospects. The Board approved a commitment of 25% of the total project costs, up to a maximum of \$600,000 for the Township share. The other contributing partners to this regional economic development project are Montgomery County, the City of Conroe and the Galaxy FBO at the Lone Star Airport. This commitment will be funded by the Township’s Economic Development Reserve Fund.

Listed below are the general conditions placed on this commitment by the Township Board of Directors.

1. Request that the Montgomery County Commissioner’s Court evaluate a change in the name of the airport to include a better geographic description / for example Lone Star Executive Airport at Conroe - The Woodlands or The Conroe/ Woodlands Regional Airport
2. Require a Development Agreement with the following provisions
 - a. The Township will be provided representation on the Lone Star Airport Advisory Board
 - b. The County will provide for the operations of a Customs Facility for a period of at least five years / if the operations are ceased prior to five years, the Township will be repaid its original investment
 - c. The Township will have an ownership interest in the building for a period of 25 years (beyond the initial five year operations period). If there is a reuse or sale of the facility within the 25 year period, The Township will be entitled to a proportionate share of the proceeds or a share of a market rate facility lease



- d. The Township's contribution will be limited to a share of the capital construction costs limited to 25% of up to a maximum cost of \$2.4 million
- e. The Township will not be responsible for funding operating costs associated with the Customs Facility

Fact Sheet – Lone Star Executive Airport Customs Facility

What is the proposed project?

The Township has been presented with a proposal by Montgomery County to participate in the development of a Federal Customs Operations Facility at Lone Star Executive Airport. This proposed customs facility would allow individuals and corporate customers on international flights to fly directly into Lone Star Airport and clear customs at that location. According to Airport representatives, this type of service is currently only available in the Houston area at IAH, Hobby and the Sugarland Municipal Airport. Smaller cities within the DFW area, such as Addison and McKinney, also have federal customs facilities at their airports as these facilities assist with attracting and retaining large corporate business operations.

What is the projected total cost of this facility?

The projected total cost of the facility is approximately \$2.4 million. A recent bid process for location of the customs facility at a Fixed Base Operator (FBO) site location at Lone Star Airport indicated that the Galaxy FBO would contribute \$600,000 toward the cost of construction if the facility is constructed adjacent to their facility. Montgomery County is looking for other regional partners to participate in the construction costs of the proposed customs facility.

What is the request that Montgomery County made to The Woodlands Township?

The request to the Township is to fund one-fourth (¼) of the actual project construction cost up to a maximum Township share of \$600,000. The other proposed capital funding partners are the City of Conroe and Montgomery County. This is proposed to be a “one time” contribution to the initial capital costs for construction and the County would fund the ongoing annual operating costs associated with the facility, primarily through user fees.

What funding has been committed date?

Current funding for this project is as follows:

- Galaxy FBO (County RFP process) \$600,000
- City of Conroe (tentative commitment) \$600,000
- Montgomery County

What are the perceived benefits to The Woodlands Township of this customs facility?

This proposed customs facility would allow individuals and corporate customers on noncommercial international flights to fly directly into Lone Star Airport and clear customs at that site. According to Airport representatives, this type of service will allow businesses to avoid the congestion at IAH and Hobby when clearing customs and would create a time savings for



these business travelers. This would be the northern most customs clearing facility between Houston and Dallas.

Attached is a letter from The Woodlands Area Economic Development Partnership (EDP) supporting the development of the customs facility at Lone Star Executive Airport. As stated by Jan Seving, the EDP Board Chairman, "With the close proximity and the increased service level that a Customs Facility would bring, Lone Star Executive Airport can keep our community competitive with local business destinations like Sugar Land in the Houston region. As we look to the future, this facility will play an integral part in the recruitment of the type of companies our community has grown accustomed to. The requests for corporate headquarter relocations is rising every year and this facility will help us achieve the status needed to attract Fortune 500 type companies."

For more information on The Woodlands Township, please visit www.thewoodlandstownship-tx.gov, or call 281-210-3800.



THE WOODLANDS AREA
ECONOMIC DEVELOPMENT PARTNERSHIP
UNMATCHED OPPORTUNITY, UNRIVALED COMMUNITY

July 14, 2014

Board of Directors
The Woodlands Township
2801 Technology Forest Boulevard
The Woodlands, TX 77381

Dear Board of Directors:

The Economic Development Partnership's staff and board are dedicated to promoting the economic development of The Woodlands Area through the support of existing businesses and the recruitment of new businesses. With three local Fortune 500 company headquarters, The Woodlands is among the top locations for business in one of the fastest growing, and most desirable major cities in the U.S.

A key asset to our area is the Lone Star Executive Airport, which serves as our local business airport. It supports our mission of business recruitment and business expansion by providing an air gateway to Montgomery County.

We have the unique opportunity to secure a U.S. Customs & Border Protection "Federal Inspection Service" User Fee Program at Lone Star Executive Airport. The last remaining hurdle is to fund the construction of a facility to house U.S. Customs Services. If we are successful, this will allow inbound private aircraft to clear customs here instead of stopping enroute at other locations. The importance of Customs services at a general aviation airport for the customer is saving time and money.

The essence of travel by business aircraft is the convenience and time saving effort that this mode of transport provides. This is true of both corporate and privately owned aircraft flying internationally. By providing efficient landing, taxing and deplaning operations, Lone Star Executive Airport can effectively compete against commercial airports like Houston Bush Intercontinental Airport for corporate and personal aircraft business.

With the close proximity and the increased service level that a Customs Facility would bring, Lone Star Executive Airport can keep our community competitive with local business destinations like Sugar Land in the Houston region.

As we look to the future, this facility will play an integral part in the recruitment of the type of companies our community has grown accustomed to. The requests for corporate headquarter relocations is rising every year and this facility will help us achieve the status needed to attract Fortune 500 type companies.

On behalf of the Board of Directors, I am writing to express our full support for The Woodlands Township to consider becoming a funding partner for the construction of a U.S. Customs Facility.

Sincerely,

Jan Sieving
Board Chairman

