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Board of Directors  
*Ty Bartoskewitz, President*  
*Ronnie Langford*  
*Mike Griffith*  
*Ky Kennedy*  
*Sid Curry*  
*Jacob Cornwall*  
*Virgil Moore, III*

CEO, Executive Director  
*David Miller*

September 27, 2024

TO: Hon. Bob Sims, Mayor, City of Breckenridge  
Hon. Blake Hamilton, Commissioner, City of Breckenridge  
Hon. Vince Moore, Commissioner, City of Breckenridge  
Hon. Greg Akers, Commissioner, City of Breckenridge  
Hon. Gary Mercer, Commissioner, City of Breckenridge

Dear Mayor and City Commission:

As required per the by-laws of the Breckenridge Economic Development Corporation (BEDCo) and the Administrative Contract with the City of Breckenridge, this activity report has been prepared for the members of the City Commission – City of Breckenridge. The report is submitted to fulfill those provisions as well as to keep the City Commission and the City Administration informed regarding the activities of the Breckenridge Economic Development Corporation.

This report is for the period of April 1, 2024 through September 30, 2024.

As with previous reports, you will notice the programs and activities of BEDCo are of continuing nature. They remain on the active list until they are completed, or a determination is made that the project is no longer feasible. This activity report is divided into three sections as follows:

- A. Administrative
- B. Economic Development
- C. Quality of Life Improvements

**A. Administrative:**

*History* - Breckenridge Economic Development Corporation was created and incorporated as a result of a City of Breckenridge election held on May 12, 2007. With approximately 91%

affirmative votes, the election resulted in the conversion of the Development Corporation of Breckenridge (DCOB) from a 4A entity to a 4B (now called Type B) entity, leaving the City sales tax rate at 1/2%. BEDC was incorporated on July 6, 2007 and the previous DCOB was dissolved.

*Current* - Officers of BEDCo as of September 30, 2024 were Lee Olson, President; Ky Kennedy, Vice-President; Wade Smith, Secretary; and David Duggan, Treasurer. Other board members included Mike Griffith, Ty Bartoskewitz, and Sid Curry. This report is being delivered a month later than normal due to Executive Director David Miller being out sick in September. The current board members are now Ty Bartoskewitz, President; Ky Kennedy, Vice-President; Sid Curry, Secretary; and Virgil Moore III, Treasurer. Other board members included Mike Griffith, Jacob Cornwall, and Ronnie Langford.

Executive Director David Miller has joined numerous councils and networks for access to resources and training. These include Texas Economic Development Council where Miller was accepted into their Future Leaders Training program and serves on committees for Rural Strategies, Workforce, Communications, and Conference planning. Miller finished a year of mentorship with Fred Welch, Director for Copperas Cove EDC, who has been in economic development for more than 30 years. Miller has also joined the International Council of Shopping Centers, Texas Midwest Community Network, and enrolled in the OU Economic Development Institute for coursework in pursuing his Certified Economic Developer designation from the International Economic Development Council with his first in-person institute taking place in October two weeks ago. David took courses in Credit Analysis and Real Estate Development and Reuse. He has already completed their course in Strategic Planning. Miller is active with several local service organizations including, Lions Club, Breckenridge Ex-Officio Board Member of the Chamber of Commerce, Secretary of the Breckenridge Industrial Foundation, Keep Breckenridge Beautiful, and is continuing to develop connections and relationships within the community.

## **B. Economic Development**

Sales tax receipts recovered over the last six months. Though several businesses have seen increases in sales, most of our construction industry has suffered losses this year. Last month, interest rates were lowered by the Federal Reserve which is encouraging to investors and consumers, but comes with a healthy dose of “wait and see.” The national economy is still relatively uneasy about the future. Inflation has caused a severe crisis which is clearly seen in our own grocery receipts. There will not be a quick fix to increased prices but we can see some daylight represented in our sales tax collections recently. We also see pause in development spending as investors are waiting to see the outcome of the election next week. The state of the national economy is truly effecting us in several areas.

### **Manufacturing**

As the bedrock of economic development, it is also encouraging to see our local businesses attracting increased production requests and even investment. We are pursuing these manufacturers with vigor and have already approved several new agreements.

*OX Manufacturing, Inc.*

Ox Manufacturing diversified its manufacturing to include a number of CNC products to lower the effects of occasional volatility in the gun market. The BEDC sold two buildings to OX a year ago and as part of the agreement we repaired one of their buildings to suit the manufacturing needs and the weatherization and aesthetics of the building. We approved an expansion project for them last month, which paid for new trade equipment. The BEDC also approved a payroll incentive for the creation of 25 new full-time jobs. This incentive would pay for the needed capital improvements at their facility to meet the five-fold increase in production.

#### RGN Manufacturing Services

RGN has had a steady production level over the last year but has not returned to the previous production levels before interest rates began to rise two years ago. RGN has seen an evolution in their business model toward dealerships and in regard to their products. They offer small cottages, workforce housing, and HUD manufactured homes. As a commitment to RGN and one of our community's greatest industrial resources, the BEDC included a \$40,000/year allowance for capital improvements to the building as part of the 5-year lease we signed last year. Last week, we signed a lease extension with RGN Manufacturing who is likely to have been purchased by the time this report is given. The new ownership is looking to increase employment to roughly 120 full-time employees and take production from 5 or 6 housing units a week to 5 or 6 per day. Between Ox and RGN, Breckenridge could see an additional 85 jobs within the next year.

#### Prospect

Earlier this year we were courting a large manufacturing prospect. The foreign company has since hit pause on its site selection process as the State of Texas works through some of its appetite for this type of manufacturer. We expect that the process will restart after the next legislative session depending on the State of Texas's stance toward this type of manufacturer. It is still a toss-up on whether we could land this manufacturer and most deals fall through before they're done. It is just the nature of commercial real estate and site selection. However, several benefits have come from this exercise so far, including identifying several large-acreage tracts of land available for development.

#### EZ-Pack Bridgeport

We have a current project in place with EZ-Pack Bridgeport to maintain and increase their employment numbers. The second period of that incentive agreement ended on July 31<sup>st</sup>. They were able to add roughly 13 new full time jobs and maintain 84 jobs through the last year.

#### Elite Submersible Pumps

BEDC built a 11,940 square foot facility on the property located at 1250 Brown Road (on the Industrial loop south of EZ-Pack Bridgeport) which we lease to ESP as of February 2021 and is a 5-year agreement. ESP is investing in the property to increase their inventory yard and production capabilities. The BEDC signed a performance agreement a year ago to incentivize the creation of new jobs. The first employment milestone will be in January. Our lease rate to ESP escalated \$1,000/month earlier this year as was part of the lease when it was signed. This escalation will provide \$12,000/year more to the BEDC for the next couple of years when the lease will be renegotiated.

#### BEDC Loans to local businesses

The BEDC continues to offer loans from our Revolving Loan Account established several years ago. The BEDC currently has three businesses with loans in repayment after having multiple loans paid off recently. We do still have one loan in default which is being pursued with the help of the city attorney. We are currently in the process of applying for a \$1,000,000 loan at 1% interest through the USDA Intermediary Relending Program. We started this process 6 months ago, but due to delays with accommodations addressed earlier, and with a USDA-imposed deadline to use the funds, the application has not been turned in yet.

#### *Welding program with BHS*

BISD, TSTC and BEDC were instrumental in the creation of a dual-credit welding class for Breckenridge High School. The classes are taught at the TSTC Welding Facility. Partial funding (scholarship of tuition) all students in the program was provided by BEDC. The class started with ten students in the fall of 2019.

#### *LVN program with BHS*

BISD, TSTC and BEDC also started a LVN program in Breckenridge High School in 2019. Students in this program will receive much of the training required to take their Licensed Vocational Nurse exam. The remaining training needed can be taken at TSTC or other programs like Texas Tech's program in Abilene.

#### *TSTC Facility*

The BEDC conveyed 415 N. Breckenridge Ave to TSTC for the continued higher education within our community. This reduced BEDC's financial responsibility and liability and promotes a more permanent presence by TSTC here in Breckenridge. The property reverts back to the BEDC in the event TSTC ceases operations in the building.

#### *CDL certifications with TSTC*

One of the newest programs coming to TSTC is the ability to get a CDL license. Students will be able to do everything locally except for the final test, which would still be done by TSTC but at their Abilene campus. We have tried to find a suitable location for this training, but as of yet, we have not been able to. There were conversations with other entities about possible locations but those were not feasible. It is likely that we will pay to create a road on one of our current properties for this course to finally be implemented at our Breckenridge campus.

#### *Neri's Courtyard Bar and Grill*

The Bealls building was used as an incentive to Neri's restaurant after having remodeled the exterior of the building. I believe it will increase downtown walking traffic after hours and contribute to a more vibrant downtown while providing a dining experience we still lack in Breckenridge. Neri has begun her remodel and hopes to be open in November. By the time this report is given, the BEDC will have been awarded the Texas Downtown's President's Award for Best Economic Game Changer for our work with this building and the downtown facade grants. We could not have done this without the Downtown Development Council and most importantly the downtown businesses who invested back into their own money back into their facades. Neri is taking this development to a level not seen in our area yet, and we are excited to see her finished product. At our meeting last week, we approved a job creation incentive for Neri's

Courtyard Bar and Grill as a forgivable loan to incentivize the 30-40 jobs this business will bring downtown. Many of those will be servers, and about 10 or more will be kitchen staff and management.

### **Visitors**

#### **Convention and Visitors Bureau**

Last fiscal year, the BEDC requested the Chamber of Commerce create a Convention and Visitors Bureau for the promotion of Breckenridge to overnight visitors. The BEDC agreed to pay \$26,000 per year for a part-time director through September 2024. Due to several factors, mainly the need for a full-time director, it was decided to end the pay for the director and the Chamber has chosen to pursue the CVB with just an advisory board and no director. We still need the CVB, but the delay in getting a hotel in place has put a kink in this execution.

### **Accommodations**

**Confidential:**



### **Retail Development**

**Confidential:**



## **C. Quality of Life Improvements**

BEDC has been working on several different facets of improving the quality of life in Breckenridge to make the city more appealing to residents, business, and industry. For purposes of this report, they are represented under the topics of (1) Housing, (2) Community Improvements, and (3) Other projects

## **(1) Housing**

BEDC has continued to use established programs for housing and demolition incentives which have been utilized numerous times each year. The bulk of these incentives will be discontinued and we will be contracting with the Breckenridge Industrial Foundation to work in conjunction with us on address needs such as these.

### *Apartments*

We identified Ridgecrest Apartments as a housing growth potential earlier this year when it came up for sale. The property went for foreclosure due to the lack of cash flow. It became apparent that the property had an extensive number of vacancies due to deferred maintenance. This property was purchased a few weeks ago and the BIF is in talks with the owner in hopes of them remodeling all of the units. There are 26 vacant units in the existing structure that we are hoping will come online within the next six months.

### *Demolition*

We are entered into an agreement with the City of Breckenridge and Stephens County to help pay for the costs of demolition of condemned structures that are conveyed to the city. The presence of substandard and distressed housing remains one of the key factors of marketing Breckenridge as a place to set down roots. Aesthetics, like with the façade grants below, are tales to prospects that a community is worth investing in. If we can continue to beautify our housing, we will see newer and nicer housing come in.

### *Construction*

The Breckenridge Industrial Foundation sold 16 acres on Dairy Street. This construction is essential for growth and for the incremental increase it will ignite in our housing market values. This one development could contribute more than \$20 million dollars in housing within the next 5 years. This developer recently joined a partnership with another investor and we hope to see these lots begin development in the coming months.

We have also had numerous conversations with other developers desiring to put housing in Breckenridge. Many of these are in the realm of affordable housing.

## **(2) Community Improvements**

### *Downtown Development Council*

Some of the council were able to work with the TMCN leadership students to renovate a vacant lot at 117 W. Walker. That space is nearly completed for their scholarship bid.

One area the BDDC has been most visibly effective in has been with façade grants downtown. There are a number of projects still in the works, but participation in this facade grants has fallen off, mostly due to the overwhelming participation beforehand. I've talked with several other building owners downtown who are interested in the program but finances are likely the deterrent to turning in an application which has a time limit on completing the improvements.

The BEDC has paid Johnny Trigg to care for the upkeep of the downtown and at the March '23 meeting, the BEDC voted to extend Trigg's service through the end of the '24 fiscal year and gave him a raise. The BEDC ended this service contract at the end of last month and donated the equipment to the city to use as they utilize his service downtown.

#### *Vacant to Vibrant*

The creation of the short-term rental redevelopment program has resulted in several conversations but no applications as of yet. Many of these projects will have high costs, and so it is no surprise that this will be a slower-moving program.

#### *Façade Grants within the City Limits*

The BEDC extended the program to all businesses within the city limits. Façade grants outside of the downtown and currently have one project approved and waiting completion which is Master's Chiropractic which is updating their facade and painting a new mural on their eastern wall.

#### *Broadband Internet*

The BEDC signed a lease earlier this month with Vero Broadband. This fiber internet company will be the first fiber-to-the-home provider in the history of Breckenridge. Vero will be housing their equipment at our offices with a 15-year lease. Their announcement to the community will be coming soon.

#### *Breckenridge Improvement Council*

BEDC provided funds needed for ongoing expenses of the Breckenridge Improvement Council, Inc, a local nonprofit 501(c)(3) corporation that accepts and forwards tax-deductible contributions to other local nonprofits and government entities.

### **(3) Other Cooperative Efforts**

The Breckenridge Economic Development Corporation board members and staff continue to communicate with representatives of these and other beneficial organizations:

Stephens Memorial Hospital District  
Breckenridge Independent School District  
Stephens County Commissioners Court  
Texas Economic Development Council (TEDC)  
Association of Rural Cities in Texas (ARCIT)  
Texas Midwest Community Network (TMCN)  
Texas Midwest Economic Development Alliance (TMEDA)  
Big Country Manufacturing Alliance  
Leon-Bosque Resource Conservation and Development Council (RC&D)  
TSTC and the TSTC Foundation  
Texas Department of Agriculture (TDA)  
U. S. Department of Agriculture Rural Development (USDA)  
Texas Workforce Commission

Workforce Solutions of West Central Texas  
Texas Rural Development Corporation  
TXU Economic Development Assistance  
Texas Department of Criminal Justice  
Texas Association of Business and Chambers of Commerce  
West Central Texas Council of Governments  
West Central Texas COG Business Development Loan Program  
West Central Texas Economic Development District  
State Representative Glenn Rogers  
State Senator Charles Perry  
U.S. Congressmen Roger Williams  
U.S. Senators Ted Cruz and John Cornyn

The Board of Directors has asked that I remind the members of the City Commission and City Administration that they are always welcome and invited to attend any board meeting of the corporation. Our meetings are normally held on the third Tuesday of each month at 5:00pm.

Respectfully submitted,

David Miller  
Executive Director