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Board of Directors
Lee Olson, President
Ty Bartoskewitz
David Duggan
Mike Griffith
Ky Kennedy
Kevin Simmons
Wade Smith

CEO, Executive Director
David Miller

August 30, 2023

TO: Hon. Bob Sims, Mayor, City of Breckenridge
 Hon. Blake Hamilton, Commissioner, City of Breckenridge
 Hon. Vince Moore, Commissioner, City of Breckenridge
 Hon. Rob Durham, 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 May 1, 2022 through August 30, 2023.

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 August 30, 2023 were Lee Olson, President; Ky Kennedy, Vice-President; Wade Smith, Secretary; and David Duggan, Treasurer. Other board members included Mike Griffith, Ty Bartoskewitz, and Kevin Simmons.

Executive Director David Miller was hired approved by the Board of Directors at their December 20, 2022 meeting. He was approved by the City Commission at their January 10, 2023 meeting. Miller has joined numerous councils and networks for access to resources and trainings. These include Texas Economic Development Council where Miller was accepted into their Future Leaders Training program and was assigned Fred Welch as his mentor. Welch has been in economic development for more than 30 years. Miller has also joined International Council of Retail Centers, Texas Midwest Community Network, and enrolled in the OU Economic Development Institute for coursework in pursuing his Certified Economic Developer designation from International Economic Development Council. 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, and is continuing to develop connections and relationships within the community.

B. Economic Development

The economic environment in Breckenridge has begun to show signs of recession amid rising interest rates and inflation. Inflation has slowed significantly in recent months in response to the Federal Reserve Board's continuing interest rate increases but buyers have become cautious and are looking for ways to make dollars stretch. This leads to more conservative spending mindsets (e.g., repairs instead of replacements). Sales tax receipts have recently shown a consistent dip in year-over-year growth but we will still likely end the fiscal year with an overall growth of about 6% which tracks directly with the yearly inflation rate.

Inversely, inflation continues to contribute to an exodus from metropolitan areas to rural towns. Without an increased supply of housing, our economic growth will be slow and harder on our existing businesses. While Breckenridge has been able to maintain a stable to slightly growing economy, the availability of workforce continues to be one of our chief obstacles.

As our Mission Statement implies, BEDC actively works closely with existing business and industry in continuing efforts to retain jobs and help with the expansion of existing operations. We also continually pursue outside industry and commercial enterprises in an attempt to create "primary" jobs in Breckenridge and are also actively trying to recruit additional quick serve restaurants and clothing retail.

EZ-Pack Bridgeport

Supply chain issues have eased some for EZ-Pack in regards to the availability of chassis for production. We have a current project in place with EZ-Pack Bridgeport to maintain and increase

their employment numbers. The first period of that incentive agreement ended on July 31st and we are awaiting job creation and retention numbers from them to determine the incentive expenditure.

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.

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. They have seen an increase in employment over the last six months and have formed working relationships with other similar businesses nearby which complement both businesses and boost their competitiveness with outside vendors.

RGN Manufacturing Services

RGN has had a steady production level over the last six months but has not returned to previous production levels before interest rates began to rise a year 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. One of those capital improvement items slated to be updated soon is a crane system that allows 300' of separate crane rails to align so that cranes can transfer loads from one section of the building to the next.

BEDC Loans to local businesses

The BEDC continues to offer loans from our Revolving Loan Account established several years ago. The BEDC currently has two businesses with loans in repayment after having multiple loans paid off recently. We do still have one loan in default which is being pursued.

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. The program currently has 24 students participating.

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 voted to convey 415 N. Breckenridge Ave to TSTC for the continued higher education within our community. This will reduce BEDC's financial responsibility and liability and promotes a more permanent presence by TSTC here in Breckenridge. A Phase II environmental report was done on the property due to a history of oil production and the presence of underground

gas tanks from the 1920s. The Phase II found no environmental concerns. The property should convey in September and 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.

TSTC Continuing Education

The Chamber took point on coordinating with TSTC on aligning events with continuing education coursework as a means to increase tourism. The first CE class will be held during the Golf Tournament week.

Hotel and Convention and Visitors Bureau

The BEDC is in talks with two separate hotel groups. Hotels are a vital part of meeting temporary housing needs for workers along with tourists. While tourism has not been the typical reason for stays, these two hotel groups will encourage tourism while also meeting workforce needs. These projects are still in negotiations and are not public information, but I do want to encourage you with the reality that two separate groups are actively trying to close deals that will begin to alter the brand of Breckenridge.

The Convention and Visitors Bureau has begun to recruit board members and Rhonda Crawford has been selected to be the part time Director of the organization which will be housed within the umbrella of the Chamber of Commerce.

Bealls Building

The Bealls building has started seeing improvements though contractor availability and the summer heat has slowed progress. The BEDC is currently in talks with a business regarding operations within the building and neighboring lots. If approved, I believe it will increase downtown walking traffic after working hours and contribute to a more vibrant downtown.

Jonell Filtration

We attempted to purchase 705 Industrial Loop as an expansion option for Jonell, but due to flood plane issues and a market that started to show some instability, Jonell opted to reorganize within their current footprint.

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.

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 recently cleared roughly 16 acres on Dairy Street and is in talks with a developer to deliver a large number of homes. We are working with the city to determine if the contractor can get enough water and sewer connections for their development plan. 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 and cause a ripple of increased home values throughout the area which would exponentially raise values and contribute to lower tax rates.

On top of lowering taxes, it could increase new home sales prices from around \$115/sf (\$172,500 for a 1,500 square foot home) to \$160/sf (\$240,000 for a 1,500 square foot home). A new home in neighboring cities are currently at a base of about \$180/sf. This disparity in price is part of what inhibits big developments from choosing Breckenridge to build. Increasing our sales prices will more easily draw new developments for their profitability.

(2) Community Improvements

Downtown Development Council

The BEDC created the Downtown Development Council in 2021 to help in developing a strategic plan for the downtown area. The BDDC spearheaded efforts to pass mixed-beverage sales within the city limits which passed in May. The board is currently looking into beautification options and has created a map of parking options. One area the BDDC has been most visibly effective in has been with façade grants downtown. Facades approved include:

- 125 W. Walker - Abecca Grace
- 103 W. Walker - Blackhorse Mercantile and Cafe
- 117 E. Walker - Copperleaf Properties
- 135 E. Walker - White Orchid
- 101 W. Walker - Katherine Parker Designs
- 105 W. Walker – Déjà Vu
- 201 W. Walker – Dude Ezell (unfinished)
- 127 W. Walker – William Smith (unfinished).
- 132 E. Walker – Melinda Fore Insurance Agency (unfinished)
- 216 & 218 W. Walker – Greg Akers (unfinished)
- 114 E. Elm – Greg Akers (unfinished)

116 E. Elm – Friends of Historic Breckenridge (unfinished)

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 fiscal year and give him a raise. This agreement will be revisited again in September.

Façade Grants within the City Limits

The BEDC extended the program to all businesses within the city limits. Façade grants outside of the downtown include:

1318 E. Walker - Boomtown Burgers

1203 W. Walker - Ladybug Pest Control

3114 W Walker – Caddo Creek Investments (unfinished)

Murals

In line with facades, the board of directors approved an expense of up to \$34,500 for the full restoration of the current murals downtown. Muralist Lauren Fails gave the best proposal for the project and will be tasked with identifying which murals need full restoration versus partial. She is also drawing up pricing for adding a new mural downtown. This item is before the Commission for approval as well.

Broadband Internet

The Broadband Development Office held a meeting in Abilene recently in which they fielded concerns and questions regarding their broadband map and grants. The program was just released and has rough edges. One of which is how they factored served, underserved, and unserved communities. Breckenridge and all of Stephens County was marked as ineligible for the grants due to being “served” with broadband internet. The BDO has been tasked by the legislature to reformat the map by address availabilities instead of the previous map which had broad strokes by using census tracts. This will greatly change the numbers. A challenge process to the map was supposed to be open now, but due to the map's reformatting, it has been postponed. The ISPs claiming to cover our area, are mainly mobile carriers and through my research, they are generally not available throughout the city. This will come out in the challenge process.

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

David Miller
Executive Director