



P.O. Box 1466 100 East Elm Street Breckenridge, Texas 76424
Phone 254-559-6228 Fax 254-559-7104 Email: david@breckenridgetexas.com

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

CEO, Executive Director
David Miller

April 11, 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 October 1, 2022 through April 1, 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 April 1, 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. He has joined the Texas Midwest Community Network and Texas Economic Development Council. Miller is active with several local service organizations including being a Ex-Officio Board Member of the Breckenridge Chamber of Commerce, Secretary of the Breckenridge Industrial Foundation, and is continuing to develop connections and relationships within the community and is pursuing his Certified Economic Developer designation from IEDC.

B. Economic Development

The economic environment in Breckenridge continues to show strength and growth despite rising interest rates and inflation uncertainty as consumers continue to spend in spite of those rising rates. Sales tax receipts continue to show year over year growth and amounts to a growth of 6% so far this fiscal year yet a conservative inference is that a meaningful portion of this is due to inflation.

While inflation is a negative factor, it also contributes to a continued exodus from metropolitan areas to rural towns. As the cost of living goes up, businesses are also seeing an increase in overhead, employees need to make more, and these factors could lead to even more potential business and employee relocations to Breckenridge in the coming year.

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. Breckenridge is unique and fortunate to have so many of these manufacturing and exporting jobs.

EZ-Pack Bridgeport

Bridgeport Manufacturing recently sold their operations to EZ-Pack and is currently selling the real estate to them as well. The company has a significant backlog of orders due to a supply chain issue and so, it has a significant potential for growth this year as that issue is resolved. We have a current project in place with EZ-Pack Bridgeport to maintain and increase their employment numbers.

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.

Ox Manufacturing, Inc.

Ox Manufacturing expanded from Oregon and after a number of projects with the BEDC, is purchasing the two buildings they currently occupy on Industrial Loop. The Breckenridge Industrial Foundation traded one of the buildings for land the BEDC owned on Dairy St. This allowed the BEDC to work directly with Ox Mfg and positions the BIF to recruit a development for the Dairy St land. Ox has seen a recent downturn in production, and so also in employment, as ports have opened and temporarily saturated the market with a flood of imported products. Ox is optimistic and is continuing with the purchase of the two buildings from the BEDC which should close very soon.

RGN Manufacturing Services

As part of the housing industry, rising interest rates took a toll on RGN at the end of the year resulting in a very short-term layoff. The company is back up to 100 employees and their production is picking back up as well. The BEDC has an agreed-to lease for your approval that will keep RGN in Breckenridge for another 5 years. With interest rate hikes hopefully done for now, we could see a descent growth from RGN over the next year as the housing market continues to boom. As one of the key resources for BEDC, part of the lease agreement includes up to \$40,000/year for capital improvements to the building to make sure it stays in good operational condition.

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 have one loan in default which we hope to have remedied within the next month.

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. This last semester, there were 21 students enrolled in the dual-credit program.

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 newest TSTC facility is owned by the BEDC and we are currently in talks to give the building to them with the agreement that if coursework ceases at the facility, the building will be given back. This will reduce BEDC's financial responsibility and promote a more permanent presence by TSTC here in Breckenridge.

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 are currently looking for a stretch of road or parking lot for the class to use.

TSTC Continuing Education

We are currently working with TSTC to create a calendar of events to coordinate with continuing education coursework with TSTC as a means to increase tourism. For example, as a plumber needs to do continuing education, TSTC can offer the coursework at our Breckenridge campus where dozens of plumbers from around the state would attend on the same day as a concert or other event. There are a number of trade skills that require CE and this could turn into large events several times a year.

Hotel and Convention and Visitors Bureau

The BEDC recently had a hotel feasibility study performed which confirmed that Breckenridge can support a hotel. We are in talks with a couple of developers that have expressed interest, but the key is finding investor(s) at this point.

One facet that will be key to the success of tourism in Breckenridge is the creation of a Convention and Visitors Bureau. Most people will think of the Chamber of Commerce when they think of CVB functions, but they are actually quite different. The BEDC has voted to spend up to \$26,000/year through next fiscal year on the salary of a director for the CVB. The details as to how it will function alongside the Chamber are being decided. The CVB would be the marketing face of the community to draw visitors, host events, and collect tourism data to sharpen our efforts and make them more efficient. The CVB focus would be exclusively on overnight stays which traditionally means holding concerts and festivals that indirectly benefit local Quality of Life while directly benefiting local retail and restaurants.

Jonell Filtration

The BEDC is currently working on a short-term solution for expansion by purchasing the property at 705 Industrial Loop. Jonell currently employs roughly 125 people at their local facility. They are expecting to have their best year ever with a 40% growth over last year.

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 entering into an agreement with the City of Breckenridge 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

Consumer dollars are not going as far though our low cost of living compared to metropolitan areas still provides a significant buffer from the full effects of inflation. One positive side effect of rising costs is the rise in valuations and rent payments. As valuations climb, tax rates will decrease and further create an attractive tax scenario for prospective developers.

We are currently having conversations with developers about the possibility of gated communities. Of the snags to new development are the disparity between new build costs, current comps, and rental rates. Home builders need to be able to sell homes for closer to \$180/square foot and new apartments need to rent for close to \$1.35/square foot. The current market is sluggish to rise in Breckenridge with rental rates still below .80/sf on rentals. Housing remains one of the largest obstacles in our region, however Breckenridge has numerous homes for sale and our focus could likely be shifted to remodels rather than new development to bring market rates up, for their quick turnaround, and overall beautification of older homes.

Another program in the early stages is developing a trade skills program with BISD that focuses on some of the home building skills like framing, plumbing, electrical, and HVAC.

(2) Community Improvements

Subway and Retail Academy

The BEDC and Chamber attended a retail recruitment workshop in San Antonio. We received a scholarship for the workshop and material valued at more than \$25,000. The course was designed to equip us with data and marketing tools to recruit Quick Serve Restaurants and other chain retailers that are expanding in communities like ours. The BEDC has assisted in the construction of a new Subway in front of Walmart which his projected to be done this year.

Downtown Development Council

The BEDC created the Downtown Development Council in 2021 to help in developing a strategic plan for the downtown area. They identified the Bealls building as an opportunity for rehabilitation. The BEDC is in the process of fixing the building and the improvements should begin to be seen within the next month or so. The BDDC has also been soliciting for the façade grant program. So far, the BEDC has paid on 4 completed facades for a total of \$13,000.

Abecca Grace

Blackhorse Mercantile and Cafe

Copperleaf Properties

White Orchid

The BEDC budgeted to spend \$40,000 for the project. There are several other facades that were approved but have not been completed and paid but have delayed beyond the original 6-month deadline. The original application period ended at the end of last fiscal year but there remains several unfinished facades and now interest by others to participate in the

project. The BEDC voted to reopen the program and extend it to the whole of Breckenridge and allot \$50,000 of available funds to be paid for facades through the end of this fiscal year. This item will be coming to the City Commission at their next meeting for a public hearing. It is expected that this program will be budgeted as a recurring project for upcoming years.

The Downtown Development Council is currently evaluating plans for beautifying downtown and creating wayfinding opportunities as well as parking opportunities.

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.

Broadband Internet

The need for reliable, high-speed internet continues to be a high priority. We have been in talks with a fiber optic ISP to determine the feasibility of providing service here. The latest BDO map shows that Breckenridge is served with speeds over 100mbps which knocks us out of eligibility for grant dollars, but we are investigating any map challenges available or opportunities to partner with the ISPs claiming to offer these speeds.

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