

MINUTES OF THE ECONOMIC DEVELOPMENT ADVISORY COMMITTEE
OF THE CITY OF NORTH RICHLAND HILLS, TEXAS
HELD IN THE COUNCIL WORK SESSION ROOM, 4301 CITY POINT DRIVE

July 30, 2025

The Economic Development Advisory Committee of the City of North Richland Hills, Texas, met on the 30th of July at 11:37 a.m. in the Council Work Session Room.

Present:	Mr. Mikhail Orlov	GRITR
	Mr. Mark Wood	Howe/Wood & Company
	Ms. Mindy Monroe	Legend Bank
	Ms. Darlisa Diltz	NTEEC
	Mr. Curtis Nash	Grace's Tiers Bakery
	Mr. Joshua Fichter	Five Star Ford
	Mr. Jay Redford	CBRE
Staff Members:	Mr. Craig Hulse	Economic Development Director
	Ms. Elizabeth Copeland	Economic Development Analyst
	Ms. Kelly Vaughn	Administrative Secretary
	Ms. Paulette Hartman	City Manager

A. CALL TO ORDER

Chairman Wood called the meeting to order at 11:37 a.m.

B. PUBLIC COMMENTS

No citizens present for public comments.

C. APPROVAL OF MINUTES OF MARCH 28th, 2024, MEETING

APPROVED

A MOTION WAS MADE BY MR. GARRISON, SECONDED BY MS. MONROE TO APPROVE THE MINUTES FROM August 7, 2024, MEETING. MOTION TO APPROVE CARRIED 7-0.

D. ECONOMIC DEVELOPMENT DIRECTOR'S REPORT

Mr. Hulse presented a high level of what is going on in the community, specifically from an economic standpoint.

D.1 Update on Local and Regional Economic Trends

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Mr. Hulse asked the members of the EDAC council to give updates on their respective businesses.

Joshua Fichter, General Manager of Five Star Ford, discussed the impact of Ford's employee pricing program and the challenges of tariffs on vehicle production. He highlighted the increase in interest rates and the potential impact on the automotive industry, as well as the challenges faced by the body shop due to safety features and insurance issues.

Mark Wood provided an overview of local economic trends, including low unemployment, low inflation, and increased consumer expenditures. He highlighted the growth in e-commerce and the impact of the federal funds rate on consumer confidence.

Mikhail Orlov discussed the shift in discounts from product pricing to shipping costs, the internal expense pressures faced by businesses, including rising labor and insurance costs. He also highlighted the steady business in North Richland Hills and the growth in recognition and memberships.

Jay Redford, now with Cushman and Wakefield, notes a steady stream of appraisals, especially for self-storage and manufactured housing. Jay mentioned vacancy rates are steady, with more activity in Austin, San Antonio, and Houston.

Mindy Monroe from Legend Bank discussed the regulatory changes that have benefited the banking industry and the challenges in the housing market.

Curtis Nash from Grace's Tiers Bakery shared the real challenge of rising egg prices. Despite challenges, the bakery is experiencing consistent growth.

Darlisa Diltz, with Foundations Entrepreneur Development Company, talked about the resilience of small businesses and the importance of entrepreneurship and certification programs. She mentioned the impact of FIFA coming to Dallas and the efforts of local cities to prepare businesses for the economic boom.

Mr. Hulse emphasized that the committee's focus is on being the standard bearer for economic development in operational excellence. He also referred to the city's social media engagement as responsive, transparent and informative to our community.

Paulette Hartman, City Manager, provided an update on the city's efforts to focus on efficiency and process improvement, specifically the implementation of Lean Six Sigma training for many of the City Staff.

Mr. Hulse discussed local and regional trends over the past year. NRH Unemployment is close to historical lows and consistently 0.3% less than DFW and 0.6% less than Texas.

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DFW inflation is at ideal levels, but certain sectors are a challenge. Insurance, housing, restaurants, car rental and used car costs are up. Citizens are experiencing lower costs for gas, electronics, airfare and hotel lodging. Local brick and mortar retail sales are up 3%, food service is up 1.1%. E-commerce up 10%, outpacing brick and mortar. About 33% of local sales tax comes from out-of-town businesses. The Federal Funds Rate is at 4.3%. This is 1% less than the same period last year. The current 30 -year fixed mortgage rate is 6.75% and we are anticipating one to two possible rate reductions in 2025. Texas consumer confidence has not changed. There has been a 28% drop since December 2024. Confidence is highly dependent on the news, tariffs and interest rates.

D.2 Development Trends (commercial, residential, multi-family)

Fiscal year 2024 was a banner year for development. Fiscal Year 2025 is back to historical norms. There has been a slight uptick in commercial FY 2025 permitting. The city has just over 540 single-family lots under development and are running out of room for new construction.

NRH continues to lead the 11-city NE Tarrant County in single family growth. The Dallas-Fort Worth area is experiencing a significant boom in build-to-rent construction, with DFW ranking second nationally for the number of BTR homes under construction. DFW is projected to add 8,470 new single-family rental homes in 2025-2026. The majority of BTR development is concentrated in suburban areas with Fort Worth leading the way. Of the 110,000+ BTR houses under construction, nearly 22,000 are in the Lone Star State.

Multi-family vacancy rates remain low and at traditional levels while rents have remained flat over the last two years, still at 25% higher than 2021. There is a clear difference between rental rates and age of rental property as the average rent for a unit built before and after 2010 is \$1,400 and \$1,700 respectively. Vacancy levels remain low.

Local taxable sales are up 4.5%, exceeding inflation. Local retail is up 3.0% while e-commerce is up 10%. Retail and restaurants represent 65% of the city's sales tax base. Sit-down/Full-service restaurants continue to lose market share to Fast Food/Fast Casual.

D.3 New and Upcoming Business Report

North Richland Hills typically welcomes just under 100 new businesses a year into the community and 2024 was a good year for the city. Some of the noteworthy businesses that have recently opened or are about to open are as follows: Soulman's BBQ is coming to 6000 Rufe snow, the former Boston Market. 1611 Golf Bar & Grill is at 6001 Parker Rd at Boulevard 26. This is your local virtual golf country club mixed with your favorite sports bar and craft kitchen. Jake's Burgers and Brews, together with Tacos and Avocados, are going to be developing a Restaurant Park at the corner of Davis and Lola. Blue Goose Cantina is also coming to the former Enchiladas Ole' on North Tarrant Parkway. We are

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also working on a good project at Smithfield and the train station. We are in deep discussions and Council has authorized staff to negotiate a deal with this group.

E. PROJECT AND PROGRAM UPDATES

E.1 Street Bond Project Update

In 2020, with 79% voter approval, a \$49 million bond package for the improvement of 27 streets was passed. Together with the bond package, Tarrant County participated with \$1.8 million and at the time the Federal Government assisted with a \$4.2 million grant from the Economic Development Administration (EDA). There are conversations happening now as to whether to consider another bond package for the future for additional streets. Glenview Drive West is now complete and open on Friday. This project included extensive underground utility and drainage improvements, along with construction of a reinforced concrete street and new sidewalks. While the street construction is complete, the contractor is still working on punch list items such as signage.

The contractor anticipates paving the two remaining lanes of Glenview Drive between Boulevard 26 and Flory Street during the week of July 28. There will be full closures during operations due to the size of the paving equipment and limited space. Currently we anticipate the contractor will have Glenview reopen to one lane in each direction by mid-August for the start of school and fully reopen by the end of September.

Starting Monday, August 4th, Main Street will be closed in both directions between Davis and Amundson Road for construction. This project, which is part of the 2020 Street Bond Program, will upgrade underground water and sewer lines, replace the existing asphalt road with reinforced concrete pavement, and add sidewalks where they're currently missing.

Closing Main Street to vehicles and pedestrians will allow the contractor to work more efficiently, shortening the construction timeline from 12 months to 8 months.

Mr. Hulse briefly touched on the 2025 Capital Project Advisory Committee that was established this past June to make recommendations for a possible November 2026 bond election. The committee is composed of 30 residents and members of the business community. They will be reviewing over \$100 million in possible projects that involve street reconstruction, two new fire stations, and a reconfiguration of Mid-Cities Blvd city service center, as well as library study and community room expansions. They will meet throughout the year and present recommendations to city council by June 2026.

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E.2 City Point Development

Homewood Suites will be coming to City Point. They are an upscale innovative brand that offers travelers a unique approach to longer stays by allowing guests to remain in their routines while on the road for business or leisure. Across 2 acres, there will be 102 rooms, 4 floors, a meeting room, fitness center, lobby bar and outdoor pool. 42% will be available for extended stay (7-day max). The estimated cost is \$19.8 million, and the construction timeline is 18-24 months.

E.3 Davis Boulevard/Boulevard 26 Neighborhood Empowerment Zone

The Empowerment Zone was created 2 years ago. Currently we are working on multiple projects. This program removes procedural, financial and physical barriers that prevent quality business development, interest and investment.

7921 Boulevard 26 used to be a dialysis center. The building is over 40 years old. This property is receiving new sidewalks to reach the building from the street, new backlit signage, new façade along with masonry columns, new paint, metal coping and parapet extensions. The project cost \$290,618.24 (not including interior finish out improvements) They have received a \$50,000 grant to offset portion of site improvements, as well as city fee waiver estimated at \$7,124.

5501 Davis Boulevard has building improvements that include a new sidewalk and xeriscape along Davis in front of the property, parapet extension, stone columns, stucco over brick, new paint and elimination of windows.

5750 Davis Boulevard will be receiving a new façade, a masonry veneer sidewalk on Davis, new paint and stucco over brick.

E.4 Restaurant Rewards Program

Elizabeth Copeland discussed the success of the Restaurant Rewards Program, which offers customers 10% cash back on their receipts from local restaurants. The program is an opportunity for the city to support our 190 food service businesses. The program rewards food service customers, both citizens and those outside the city. It also leverages promotional funds to spur local sales tax revenue. Council approved a promotion of an increase from 5% to 10% redemption beginning on Valentine's Day. We ended up having almost 2800 users, over 23,000 transactions and customers spent \$561,283 and received back over \$46,000 in cash back. A survey was conducted to receive feedback from users of the program, and the response was extremely positive. We hope to run the program again next year and to continue the 10% cash back.

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E.5 Efficiency Studies & Lean Six Sigma Studies

Paulette Hartman provided an update on the Lean Six Sigma program which is a strategic initiative that is crucial to our city's economic future. She said we are investing in our people, training 21 employees in Lean Six Sigma, with a goal of having a green belt in every department. This will build a culture of efficiency and responsiveness right within our city operations. The focus is on streamlining operations and optimizing resources. The first big project is to look at procurement. The goal is to make it simpler to do business with the city and speed up projects and purchases. Ultimately, the program is about operational excellence, directly contributing to a more efficient and economically vibrant North Texas.

F. Future Discussion Items

Mr. Hulse reminded everyone to mark their calendar for the annual Business Appreciation Luncheon on December 4th at 11:30 AM at Grand Hall.

Mr. Hulse also thanked Curtis Nash for his time of service with EDAC. He is moving on to a new endeavor.

G. ADJOURNMENT

Meeting was adjourned at 1:04PM.

Mark Wood, Chairman

Craig Hulse, Secretary

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