

**MINUTES OF THE ECONOMIC DEVELOPMENT ADVISORY COMMITTEE
OF THE CITY OF NORTH RICHLAND HILLS, TEXAS
HELD IN THE COMMUNITY ROOM, 4301 CITY POINT DRIVE**

MAY 13, 2021

The Economic Development Advisory Committee of the City of North Richland Hills, Texas, met on the 13th day of May, 2021 at 11:30 a.m. in the Community Room.

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| Present: | Mr. Bob Brown | Smurfit Kappa |
| | Ms. Darlisa Diltz | NTEEC |
| | Mr. Jay Redford | CBRE Valuation & Advisory Services |
| | Mr. Mike Vasquez | Cirque Real Estate |
| | Mr. Mark Wood | Howe/Wood & Company |
| | Mr. Michael Wright | MJW Architects |

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| Absent: | Mr. Mark Deno | Medical City North Hills |
| | Mr. Ron Huggins | Huggins Honda |
| | Ms. Mindy Monroe | Legend Bank |
| | Ms. Janice Townsend | Roots Coffeehouse |

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| Staff Members: | Mr. Craig Hulse | Economic Development Director |
| | Ms. Elizabeth Copeland | Economic Development Analyst |

A. CALL TO ORDER

Mr. Wood called the meeting to order at 11:42 a.m.

A.1 CITIZENS PRESENTATION

No citizens presentation.

A.2 PUBLIC COMMENTS

No citizens present for public comments.

B. ACTION ITEMS

B.1 APPROVAL OF MINUTES OF THE MARCH 11, 2020 ECONOMIC ADVISORY COMMITTEE MEETING

APPROVED

A MOTION WAS MADE BY MR. BROWN, SECONDED BY MR. VASQUEZ TO APPROVE THE MINUTES FROM THE MARCH 11, 2020 MEETING.

MOTION TO APPROVE CARRIED 6-0.

C. DIRECTOR'S REPORT

C.1 2020 YEAR IN REVIEW

Mr. Hulse gave an overview of events that occurred since the committee last met. This included a National Emergency Declaration on March 13, 2020 and announcement of the first COVID case reported in NRH on March 19. Between March 13, 2020 and March 12, 2021, 40 different federal, state and county orders were declared. The city reported 8,814 positive COVID cases and 119 related deaths, which equates to 12% of the population testing positive for COVID and a 1.3% mortality rate (as of May 12, 2021). The pandemic's peak occurred on January 10, 2021 and as of May 4, 2021, 22% of the NRH population has received a COVID vaccination (Tarrant County – 28%). In addition to the pandemic, a winter weather event, nicknamed "Snowid", occurred for 5 days beginning on February 14, 2021.

The pandemic had a significant impact on the NRH business community. Of the executive orders declared, ten of them impacted business occupancy levels. Mr. Hulse shared a graph that showed case counts in relation to occupancy restrictions. The illustration displayed how businesses experienced a "yo-yo effect," with restrictions being lifted and reinstated multiple times throughout the course of the pandemic.

Mr. Wood asked if the peak was related to schools reopening and Mr. Hulse responded that there is no exact answer, but it could be related to a combination of lifted restrictions, schools reopening, no vaccine available at the time, climate changing to colder months, holidays, etc.

Mr. Hulse presented customer traffic graphs based on GPS which illustrated the impact of COVID on restaurants, grocery and home improvement businesses. The graphs illustrated how restaurants were heavily impacted as people stopped eating out; however, grocery stores and home improvement stores saw a large increase in business.

Throughout the course of the pandemic, the Economic Development department focused its efforts on three areas: communications, promoting restaurant take-out and delivery options, and facilitating small business financial assistance programs.

The department sent proactive messaging to the NRH business base with information about occupancy limit changes and funding opportunities. Communications were sent via Everbridge outbound phone messaging technology, phone calls, email blasts and direct mail.

Staff remained in the office to capture and respond to business phone calls. The department logged 235 phone hours and 1,180 emails between March 14, 2020 and June 5, 2020 related to COVID business matters. In that timeframe, 75% of staff's time was spent addressing COVID issues.

A COVID Business committee was formed to discuss obstacles faced by the business community and ways the city could offer assistance. This committee comprised of business owners and managers from Sam's Club, Roots, Sunny Street, Chick-fil-A, Target, Avatar Salon, Bohannon Dentistry and Kroger in addition to the Mayor, City Manager's Office and Economic Development staff.

Economic Development promoted take-out and delivery for local restaurants by creating a Dining Guide with up-to-date information about each restaurant in NRH. The dining guide was promoted online, via social media, water bill notices and the city newsletter. The guide was downloaded 5,688 times in 2020. In addition, a 'Take-Out Tuesday' campaign was established to promote different cuisines that are available in NRH. This social media campaign was viewed 28,000 times.

The Economic Development department facilitated Small Business Assistance programs throughout the course of the pandemic by heavily promoting the Payroll Protection Program. Thanks to many banks, 674 NRH businesses were approved for a total of \$20.5 million in funding. The following local banks aided in the loans – Chase: 75, BofA: 59, Wells Fargo: 51, Veritex: 25, EECU: 20, Bank of the West: 12, Legend Bank: 10. The department also promoted the Economic Injury Disaster Loan, Restaurant Recovery Fund and the Shuttered Venue Operator's Grant. Alamo Drafthouse is eligible for funding from the Shuttered Venue Operators' program and the theater plans to re-open in July 2021. Mr. Wright added that his business received two PPP loans.

The city also worked closely with the county to promote the Tarrant Small Business Assistance Program which provided \$1.8 million in funding to 180 NRH small businesses with a single location and fewer than 20 employees. Ms. Diltz mentioned that her business was able to take part in the County Grant program.

In addition, the city made ordinance modifications to offer relief for impacted businesses. This included relaxing sign enforcement and promoting grand re-opening signage which allows businesses that opened throughout the most difficult part of the pandemic to have another opportunity to display grand opening signage outside their business.

Ms. Diltz offered an idea for the city to consider offering business education regarding sustainability as COVID has exposed a lot of gaps in small businesses that could benefit from training.

C.2 DEVELOPMENT TRENDS (COMMERCIAL, RESIDENTIAL, MULTI-FAMILY)

Mr. Hulse discussed development trends from 2020. Strong development trends continued in 2020 with a slight increase in the total value in permits and a slight decrease in the number of permits issued. Single family capital investment was up in comparison to 2019, as the residential market is a strength for the city. The uptick in residential investment offset a slight downturn in commercial capital investment.

Mr. Redford agreed that this trend in residential is seen across the board and he expects it to continue over the next five years. He is seeing commercial appraisals continuing in all areas except for office, as many companies are consolidating offices and having employees work from home.

Mr. Wood said that some of the current obstacles in the builder community include supply problems with wood and steel as well as lack of availability of lots. Other committee members mentioned brick, lumber, appliance and furniture shortages which are contributing to longer build times.

Retail trends show that rent continues to stabilize just above \$15 per square foot in the city and a sharp increase in the retail vacancy rate was seen in the past year. This is partially due to the relocation of Hobby Lobby. Mr. Hulse hopes to see this number stabilize back to the 9% range in the near future. On the other hand, office vacancy declined, which is most likely due to the significant amount of garden office space in the city as more businesses are downsizing their locations to smaller offices in the suburbs.

Over 280 single family residential permits were issued in 2020, which equates to the most in the 12 city Northeast Tarrant region. 2021 is currently on pace to exceed 2020 levels. Approximately 1,250 lots have been platted and are within 3 to 30 months from delivery. Approximately 32% (400 lots) have been delivered, 23% (283 lots) are scheduled to be delivered within the next year and 45% (564 lots) within the next two years.

C.3 NEW AND UPCOMING BUSINESS UPDATE

The city experienced muted new business activity over the past year, but several noteworthy businesses opened in a multitude of industries which included Ragle, Inc., Interactive Marketing Group, Berry Best BBQ, False Idol, Rio Orthopedics, SkyWay Financial Group, Map Communications, Inc., Sweetie Pie's Ribeyes, MOD Pizza and Black Rifle Coffee. Upcoming businesses which are expected to open in 2021-2022 include Alamo Draffhouse Cinema, Keyworth Brewing, two Dutch Bros locations, Raising Canes, 2 Braum's restaurants and V's House.

D. PROJECT AND PROGRAM UPDATES

D.1 NOVEMBER 2020 STREET BOND ELECTION

Mr. Hulse updated the group on the status of the street bond election, which was approved in November 2020. The bond includes reconstruction of 27 streets, with \$49,875,000 in general obligation bonds for 20 years at 1.62%. 32,318 votes were cast with 79% in favor. A Capital Program Advisory Committee made up of 35 residents across NRH met 7 times from October 2019 through February 2020 to discuss and identify streets to be included in the bond. Three commercial streets included in the package include Bedford-Eules Road which will include asphalt to concrete, curb, gutter, landscaping and sidewalks in the ½ mile stretch from Strummer to Boulevard 26. The estimated cost for this project is \$3,415,000.

Glenview Drive is also included in the bond and reconstruction includes over one mile of asphalt to concrete, curb, gutter, landscaping and sidewalks, estimated to cost \$8,410,000. In addition, 1.2 miles on Iron Horse Boulevard from York to Rufe Snow and Rufe Snow to Browning will include asphalt to concrete, curb, gutter, landscaping and sidewalks, estimated at \$9,120,000.

D.2 ECONOMIC DEVELOPMENT ADMINISTRATION GRANT

As a part of the CARES Act, \$1.5 billion in funding was allocated to the EDA to advance economic development in response to COVID-19, with \$236 million available for TX, LA, NM, OK and AR. Investment priorities were given to the following areas: Recovery and Resilience, Critical Infrastructure, Workforce Development and Manufacturing, Exports & FDI, and Opportunity Zones. EDA programs typically support economically distressed areas, however, "Special Need" due to economic injury from the pandemic was established with the COVID National Emergency Declaration.

The city applied for the EDA grant to help improve Iron Horse Boulevard, as a stretch of the road is home to three essential employers: Tyson, ESNA Aerospace, and Prestige Ameritech. Between these three businesses which occupy 546,000 square feet of industrial space, combined, they provide 550 jobs and \$23 million in wages with the potential to increase to 750 jobs and \$30 million in wages. The current roadway has deteriorated past its useful life, creating issues for truck traffic and a disincentive for business investment. Upgrades to physical infrastructure are needed to prepare and respond to future catalytic events which retains and encourages the expansion of essential businesses that are critical to the nation's health, safety and welfare.

In November 2020, NRH was awarded a \$4.2 million EDA grant which is the largest amount awarded in Texas. This amount will cover 46% of the total project cost to improve the stretch of Iron Horse Boulevard that fronts the abovementioned businesses.

D.3 CITY POINT

Mr. Hulse updated the group on the status of the City Point project, a 53 acre, \$187 million mixed use development. Centurion American is the developer of City Point which has an estimated 8 year build out and will include 364 single family homes, 300-600 multi-family units, 60-70,000 square feet of commercial space and a 100+ room hotel. A small, socially distanced groundbreaking event occurred in October 2020. While the project is slightly behind schedule, concrete work on some of the roads should begin by the end of the month.

D.4 ONE MILLION CUPS – NORTHEAST TARRANT COMMUNITY

Mr. Hulse introduced the committee to 1 Million Cups NE Tarrant County, a new program that recently launched in the area. Founded by the Kauffman Foundation, this is a program for entrepreneurs to network and discover solutions over a million cups of coffee. Each week, two early-stage business startups present their companies to an audience of mentors, advisers and fellow entrepreneurs. Each presentation lasts for six minutes, followed by a 20-

minute Q&A session between the presenter and the audience. The NE Tarrant community averages 20+ people each week.

E. MARKETING REVIEW

E.1 ONLINE COMMUNICATIONS

Ms. Copeland reviewed recent social media statistics showing the committee how Economic Development related posts receive a high reach in comparison to typical city-related posts. Posts that have received high engagement over the past year include announcements about Black Rifle Coffee Company, MOD Pizza, Alamo Drafthouse, Sweetie Pies, Raising Cane's and Fatburger. This reinforces the indication that NRH residents are highly interested in the restaurant community.

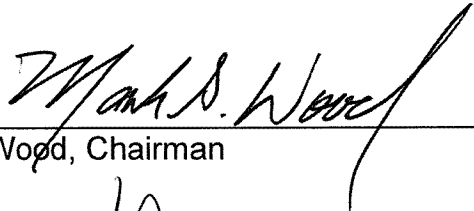
E.2 DINE NRH

With restaurants being the #1 requested business type according to NRH residents and having been severely impacted by the pandemic, the need exists to reactivate and reconnect the consumer base.

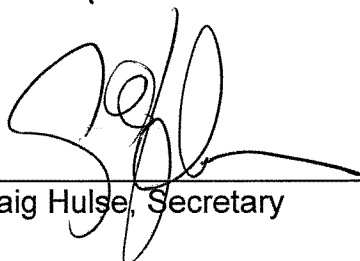
To help make this connection, the Economic Development department is planning to launch a Facebook group specifically focused on the restaurant community called Dine NRH. This will be a platform for food service businesses to post offers and promotions and in turn, NRH consumers will join the group to see these offers and show support to dining establishments in the city. Business and group members will agree to pre-established rules to keep content relevant, positive, and courteous. The department plans to launch the group in Summer 2021.

F. ADJOURNMENT

Mr. Wood adjourned the meeting at 1:03 p.m.



Mark Wood, Chairman



Craig Hulse, Secretary