



# Economic ▶ Development

FY23-24 Annual Report



# GROWING VICTORIA TEXAS

RETAIL  
RECRUITMENT



SMALL BUSINESS  
DEVELOPMENT



QUALITY OF  
LIFE



WORKFORCE  
DEVELOPMENT



HOUSING  
DEVELOPMENT



**To be a catalyst for sustainable economic advancement, where collaborative innovation drives vibrant community prosperity and elevates the quality of life for all.**



# ▶ Retail Recruitment

# Retail Recruitment - New Businesses

- ▶ Longhorn Steakhouse
- ▶ Crumbl Cookie
- ▶ Stir Soda
- ▶ Franklin's Backyard Bayou
- ▶ Speedy Stop/Liquors
- ▶ Murphy's
- ▶ 7-11/Stripes
- ▶ Mr. Gatti's



## Challenges

- Nationwide economic struggles
- Competing priorities strain local incomes
- No population growth = no new retail

## Opportunities

- Increase Support to VEDC in recruiting primary jobs to enhance local job opportunities and sustain retail
- Focus efforts on recruiting businesses and families to relocate to Victoria
- Collaborate and expand on local business development, retention & expansion efforts



# Small Business

## ▶ Development

Entrepreneur Ecosystem & Business Retention/Expansion



UNIVERSITY OF HOUSTON-VICTORIA

**UHV**

Education and Training



Human Capital

Financial Capital



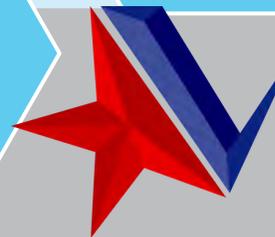
Entrepreneur Ecosystem

Social Capital

Culture



Regulation



THE CITY OF VICTORIA DEVELOPMENT SERVICES

# Business Retention & Expansion

- ▶ To maintain a robust entrepreneur ecosystem and beginning a business retention/expansion program requires additional resources.
  - Will require additional positions over time, including BRE Manager, BRE/Economic Development Specialist and Marketing Specialist

## BRE Program/Goals

Conduct  
Inventory of  
Existing  
Businesses

Identify Key  
Stakeholders

Assess the Needs  
and Concerns of  
Local Businesses

Develop  
Supportive  
Resources and  
Incentives

Establish Strong  
Communication  
Channels

Monitor and  
Measure Success

Promote and  
Market the  
Program

# Challenges/ Opportunities



Without a BRE program for all or a portion of businesses, we risk losing revenues and employers within the city.



Having dedicated staff members to build relationships, solicit feedback and track their progress is key for retaining our vast group of small businesses.



# ► Quality of Life

Main Street Program and Downtown Master Plan Update

# Quality of Life



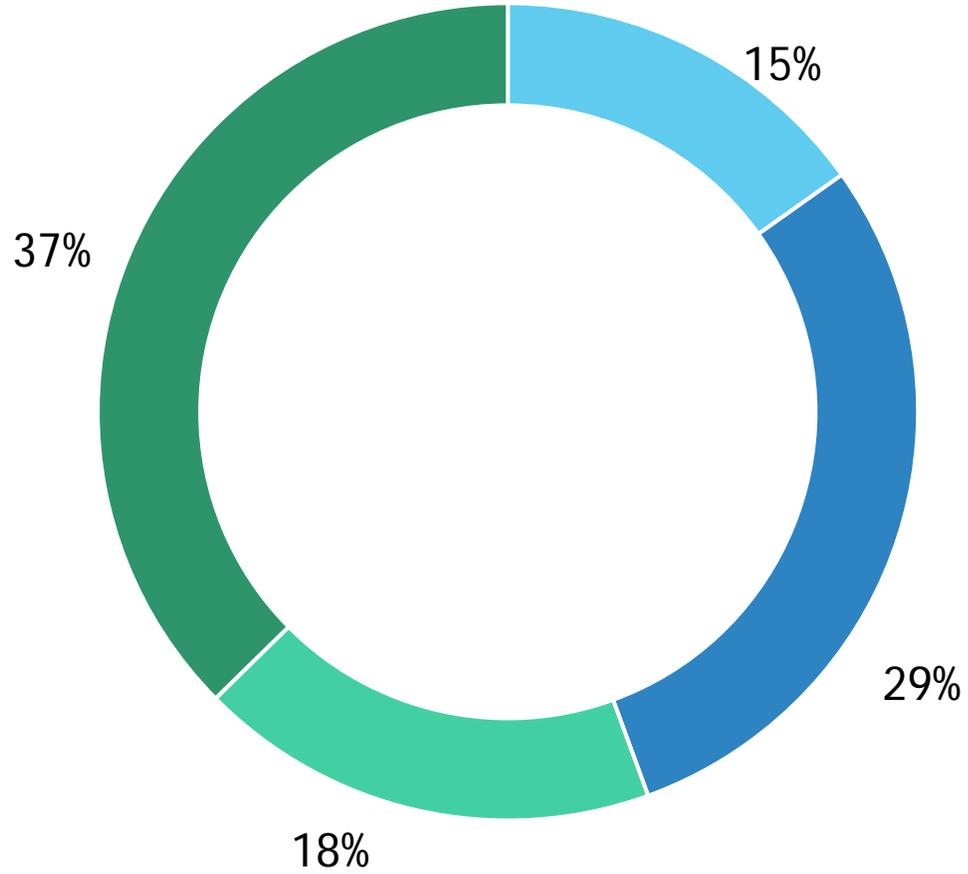
The Victoria Sales Tax Development Corporation continues to help fund Parks projects and Victoria Main Street incentives.



Victoria Main Street continues to make downtown an attractive place for arts & culture, small business incubators, entertainment and events.



# Downtown Master Plan



		Number of Projects	Percent
	Completed Projects	15	15%
	Projects In Progress	29	29%
	Ongoing Projects	18	18%
	Projects Not Initiated	37	37%
	Total Projects	99	



# Reinvestment

Private Reinvestment: \$1,249,772.12

Public Reinvestment: \$2,222,813.86

Total Overall Reinvestment: \$3,472,585.98

Total reinvested through incentive programs:  
\$87,396.62

\*Incentive programs funded through VSTDC.

# Jobs

▶ Total Employees: 2,206

▶ Full-Time Employment

▶ Total Full-Time: 2,051

▶ Net Gain Full Time Employees: 2

▶ Part-Time Employment

▶ Total Part-Time: 155

▶ Net Gain Part-Time Employees: 16

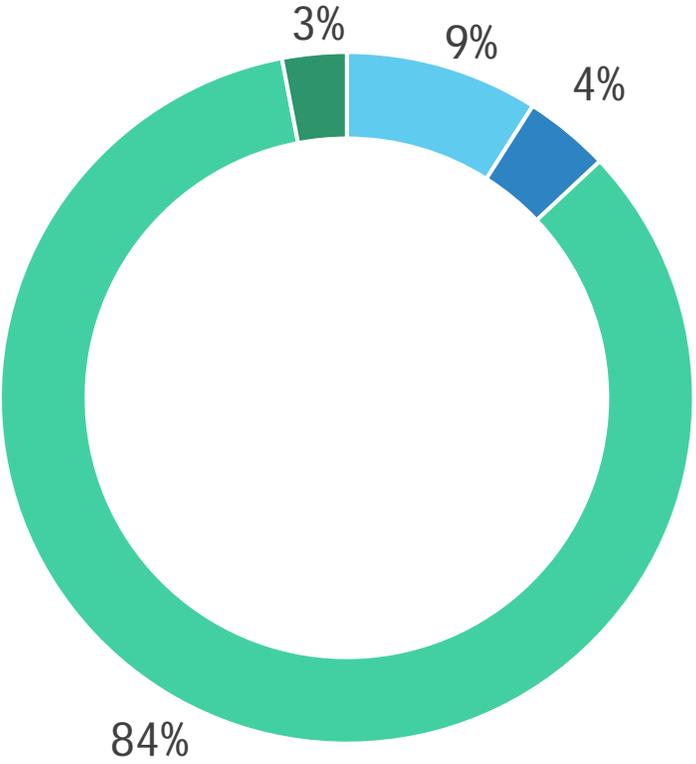


VICTORIA  
MAIN STREET  
PROGRAM

King North - Victoria, Texas

# Downtown Businesses

Businesses Retained within Main Street: 138



Total Businesses Closed	14	9%
Total New Businesses	7	4%
Total Retained Businesses	131	84%
Relocated Outside of MS	5	3%



# New businesses

## ▶ New Businesses → Total: 7

- ▶ Remedy Aesthetics & Wellness → Replaced 1839 & Co.
- ▶ Public Defenders (County) → Replaced All Star Properties and Marek, Griffin & Knaupp
- ▶ La Cantina Tacos & Tequila → Replaced El Paso Tacos & Tequila
- ▶ Reformed Man → Replaced June & Jade
- ▶ Here's the Scoop → Replaced Rhinestone Boutique
- ▶ Estate Wise Legal Group → Replaced Texian Books
- ▶ Park View Title → Replaced: New Life Family Chiropractic



VICTORIA  
MAIN STREET  
PROGRAM

# Business Relocations & Closures

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**Total of 5 businesses closed in Main Street, but retained in Victoria:**

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All Star Properties → 1001 E Sabine Street

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Danny Vivian Photography → Mobile Vendor

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New Life Chiropractic → Mitchell Artisan Market

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Rhinestone Boutique → Mobile Vendor

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Root & Vibe → Exclusively Online

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**Total Businesses Closed Permanently: 14**

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# Plaza Bookings and Events

▶ Total Events: 839

▶ Total Plaza Bookings: 33

▶ Total Other Events in VMSP: 806

▶ \*Plaza bookings are April 6, 2024 to  
September 30, 2024



VICTORIA  
MAIN STREET  
PROGRAM



## Challenges

- Lack of retail-tainment
- Lack of residents living in downtown to patron the businesses on a regular basis
- Leading to lack of business retention
- Downtown Tax Increment Reinvestment Zone fund wanes in collections
- No staff dedicated for Arts & Cultural District

## Opportunities

- Look to focus recruitment efforts on retail-tainment
- Advertise properties the City owns for residential development
- Promote downtown as a quality of place and ideal place to live
- Focus TIRZ incentives on residential development and residential conversions



VICTORIA  
MAIN STREET  
PROGRAM





# Workforce ▶ Development

# Workforce Development



After receiving the High Demand Job Training grant through the Texas Workforce Commission(again), the MidCoast Construction Academy was able to recruit 76 students, which is 42 over last year



These trades include HVAC, Electrical and Plumbing



Partners with VSTDC, Victoria College, VISD and MidCoast Construction Academy are key to making this a huge success.

## Challenges

- Lack of workforce for specific trades or primary jobs with higher paying salaries
- Low Median Household Income (\$70K) makes buying/renting a home difficult

## Opportunities

- Continue to provide support to VC, UHV, and Midcoast to grow their programs and facilities
- Support our education partners for more/better workforce pipeline
- Support VEDC in their efforts to recruit primary jobs



# Housing

- ▶ Development

# Affordable Housing

## General Housing

- ▶ Enchanted Gardens -168 Units
- ▶ Salem Village Apartments -105 Units
- ▶ Creekstone Ranch - 160 Units
- ▶ Pinnacle Point - 144 Units
- ▶ Mockingbird Lane - 160 Units
- ▶ La Dominion - 51 Units
- ▶ Caney Run Estates - 116 Units

## Senior Housing

- ▶ Fish Pond at Victoria - 75 Units
- ▶ The Victorian - 68 Units
- ▶ Thomas Ninke Senior Village- 80 Units



# Housing development

## Current Inventory

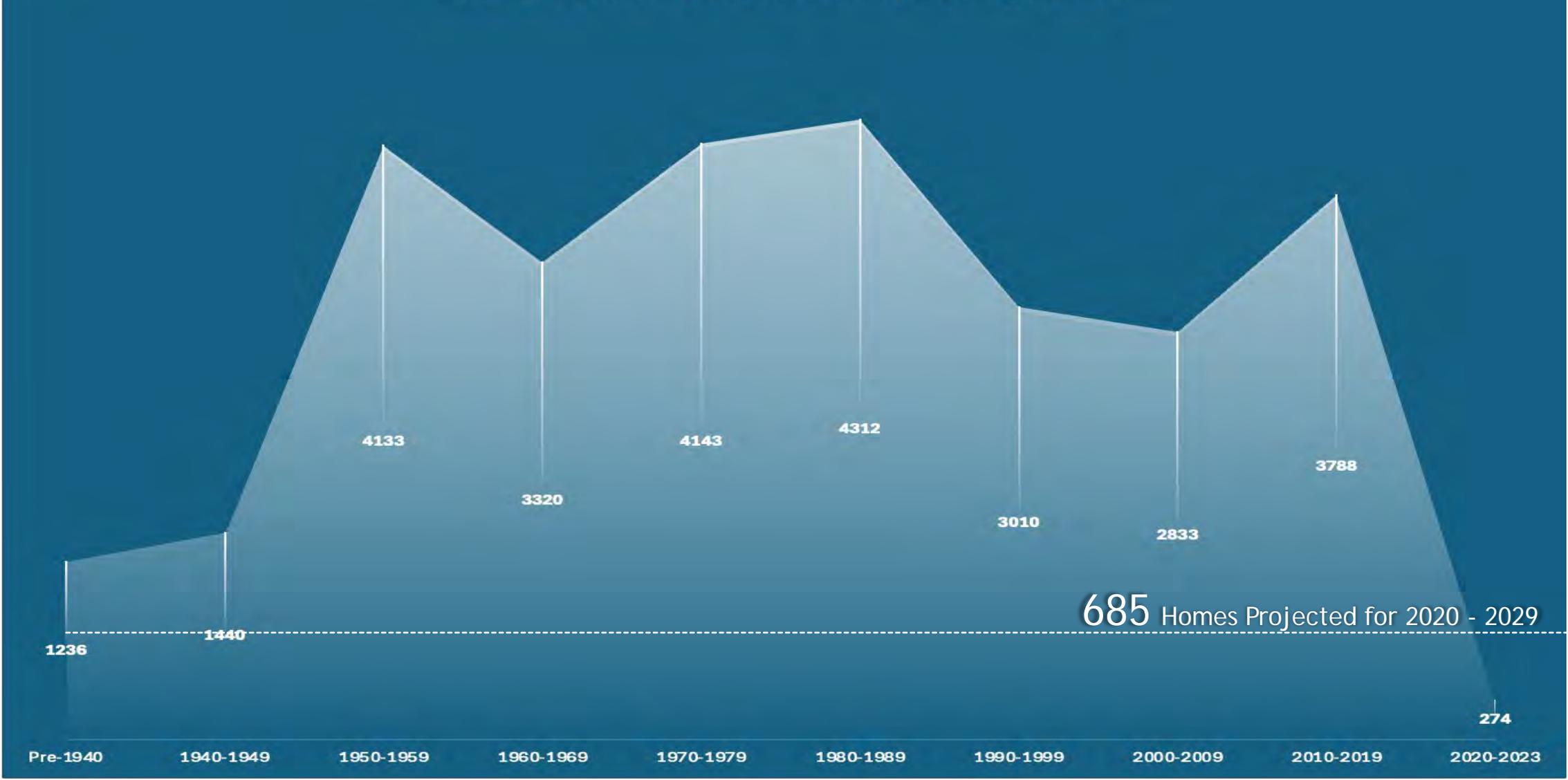
- ▶ Median Sale Price: \$226,000.00
  - ▶ -8.5% year over year
- ▶ 37 homes sold
- ▶ 69 days on the market
- ▶ 308 Homes for sale
- ▶ 32 New homes built

## New Affordable Housing

- ▶ The Victorian - Realtex Development Corp
- ▶ 9% Tax Credit- Senior Housing
- ▶ 68 Units
- ▶ Dev. Cost: \$14.7M
- ▶ HFC Contribution: \$500K loan
- ▶ Tax Revenue: \$130,394/year



# HOME CONSTRUCTION IN VICTORIA, TEXAS



# Demand/Challenges

## New Homes

- ▶ Median household income cannot support the purchase of a new home at the median rate.
- ▶ 40% of the homes are renter occupied, paying a mortgage rental rate
  - ▶ Median mortgage is \$1,747
  - ▶ Median gross rent is \$1,170

## Affordable Housing

- ▶ There are vacancies at the current affordable housing because there is a large middle population that are stuck. Where they make too much money to qualify to live in affordable housing complex.



# Demand/Challenges

## ▶ Household Incomes

- ▶ Low-Income Housing Tax Credit properties often target households with incomes at or below 60% of the Area Median Income.
- ▶ To qualify for affordable housing in Victoria you must make roughly \$40,800 with a house of 4 people, with lower caps for smaller households.
- ▶ Lowest paid COV employee makes approximately \$31,200/yr. If they are the sole income and have 3 other people/children living with them, they qualify. Add another salary of \$31,200 and that puts them out of range to qualify and just under the median household income of Victoria.
  - ▶ Then how do they pay for childcare? Groceries?



# Opportunities



- ▶ Housing Infill/Incentives
  - ▶ The Housing Finance Corporation is still working towards another affordable housing multi-family unit on Odem St.
    - ▶ Housing infill and redevelopment program through the HFC and Development Services team.
    - ▶ 10,155 homes that are 30yrs old or less, 11,596 homes that are 30-60yrs old, 2,676 homes 60yrs and up
  - ▶ We look to re-introduce the Public Facility Corporation to help attract more workforce housing for high-quality mix-income families that are not currently served by housing tax credits or market-rate developments. These projects allow for 80%AMI which opens the cap ceiling a little higher to accommodate police, fire, teachers and others that fall in the middle.
    - ▶ This corporation could also generate additional revenues to the City that can be used for parks, public facilities, operational costs, CIP Projects, etc.



# ▶ Conclusion

# Challenges Review



## Retail Recruitment Challenges

- No population growth = no new retail
- Not enough buying power



## Small Business Development

- No current staff dedicated to a BRE program



## Quality of Life

- Lack of retail-tainment
- Lack of downtown residents equals struggling business retention/recruitment
- Waning funds in TIRZ waning
- No dedicated staff for Arts & Cultural District



## Workforce Development

- Lack of growth in primary jobs or trades skills



## Housing Development

- Lack of mix-income housing developments
- Lack of new home construction
- Aging homes and infrastructure

Time + Money + **People**



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## TEXAS

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