

SEALY EDC NEWSLETTER

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Friday, May 10, 2024,



Sealy EDC News and Updates MAY 2024

1 Provide Quality
Infrastructure

2 Support Existing
Business/
Redevelopment and
New Business

3 Create Effective
Marketing and
Communications

4 Enhance Amenities
for Citizens and
Tourism



We hope this message finds you well. During the April SEDC Meeting, the Board discussed and took action to approve budget amendments for projects following the SEDC strategic plan. The EDC Board thanked staff for following their direction. During the meeting, the SEDC team reviewed the EDC's second quarter report and the monthly Sales Tax Report. These updates inform the Board of how we have been working to continue meeting our collective vision.

SEDC Monthly Updates now Include Sales Tax Reporting

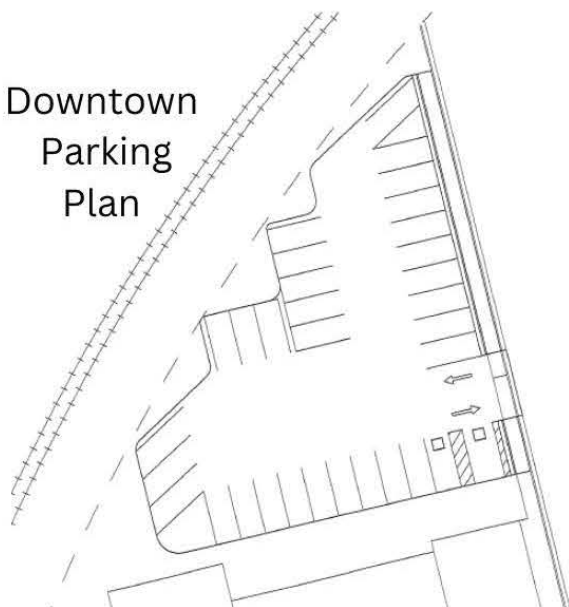
The May 2024 Newsletter now incorporates the monthly Sales Tax report. Merging the sales tax report and the newsletter offers a streamlined approach. This integration ensures convenient one-stop destination for monthly updates and reporting.

News and Updates

1 Provide Quality Infrastructure

125 2nd Street Property

The City of Sealy recently demolished the secondary building at 125 2nd Street. The SEDC Board deliberated on the future of the remaining primary building.



It was determined that the optimal course of action would be selling and relocating the building from its current site. This decision was made with the recognition that removing the building would facilitate the creation of additional parking spaces. In early May, the Sealy EDC issued a notice in the Sealy News inviting sealed proposals from potential buyers interested in purchasing and relocating the building. Two house moving companies were notified of the bidding process. Furthermore, the Sealy EDC is expanding its outreach by establishing a presence on Facebook and the SEDC website to circulate the notice. One house moving company did already look at the property to prepare a proposal.

As a reminder, this project will increase critically needed parking of the downtown area to enhance patrons convenience when visiting local businesses.

Hill Center Parking

The SEDC has been informed of a potential need to revise the comprehensive drainage plan for the Mark A. Chapman Park and the surrounding area. City Leadership has advised the SEDC to suspend progress on the Hill Center project until the drainage plan is reassessed. This pause allows for the simultaneous implementation of projects which include the EDC's parking expansion and the city's drainage project. Concurrent projects could result in cost savings for both projects through economies of scale.

Hill Center Parking Continued

The proposed parking expansion represents a significant increase in spaces tackling several problems for the community. It addresses challenges from the current growth in population and the increasing popularity of the park and community center with respective activities. During the March meeting, the EDC Board voted to prioritize the construction of the expanded parking at the Hill Center with the first phase in the improvements to the Mark A. Chapman Park drainage.



Hill Center Parking Plan 2024

Going forward, the EDC will maintain oversight with the project's advancement and ensure regular updates are provided. Once the EDC is able to start the project, the first step will be seeking SEDC Board approval for a task order and probable cost estimation for the parking project. The engineering task order, to be provided by Strand Associates, will outline the comprehensive plan and provide a projection of the associated costs for the project. The W.E. Hill Community Parking expansion project was identified as an SEDC priority for 2024.

Budget Amendments

During the April 23, 2024 EDC Meeting, the Board of Directors discussed the proposed SEDC budget amendments. The Board expressed gratitude to staff for aligning with the directives outlined in the 2024 EDC Strategic Plan concerning the proposed amendments. The proposed budget amendments address SEDC priorities regarding preliminary engineering and probable cost needed for Downtown Parking and the W.E. Hill Community Center parking expansion, the land lease for downtown parking on railroad owned land, the final Retail Coach Consulting payment, and other incidental amendments to cover the expenses relating to the existing SIKA and Prasek's Project payments for 380 agreements, the rental payments for the SEDC new meeting room, and funding for our telephone services.

The SEDC amendments were proposed to the Sealy EDC Board in April, and the City Council during their May 9th meeting. The amendments were approved.



News and Updates Continued...

Cryan Park Pond

The Jacqueline A. Cryan Park Pond is being evaluated regarding design and capacity. The study will help determine a path forward for cleaning and sculpting the pond's banks. In addition, the pond and the area around it are being evaluated for a future project to provide lighting in the park for walkers to enjoy Cryan Park and all its current and future amenities.



Support Existing
Business/
2 Redevelopment and
New Business

June 18, 2024 Sealy Small
Business Meet-Up



In partnership with the Houston Small Business Administration, we are actively engaging with lenders regarding 504 and 7(a) loan opportunities. There will also be business planners, educational institutions, Workforce Development, and other partners to facilitate valuable connections for our local businesses. In selecting a venue, staff is exploring the option of Sealy's Historic Liedertafel Hall. Considering both its spacious capacity and historic significance. This venue will showcase Sealy's distinctive and charming character. The event flyer is being created by the Houston SBA, and we anticipate having the flyer available during the May EDC meeting. We look forward to providing the Board with copies to distribute to anyone you believe may be interested in attending the event.

News and Updates Continued...

SEDC Meeting Room Suite #5



SEDC Office Expansion

The SEDC's new meeting space is now operational. After the space received a fresh coat of paint, new baseboard trim, and new carpeting, the City's Streets and Parks Department generously assisted in relocating our large conference table and chairs to Suite #5 of the Professional Building. Since then, SEDC staff has already conducted two meetings in the space. Efforts are underway to collaborate with Blue Iron Technologies to establish an internet connection and install a wall monitor with wireless capabilities. This process may take about a month to complete. It is anticipated that the Sealy EDC Board of Directors will convene for the May Meeting in the newly added suite.

The Medrano Project

Sealy EDC received a facade improvement application for a multi business project. The project is located at 416 HWY 90 West in Sealy. The building owners, the Medrano's, were recently cited for code violations for some of their structures on the property. In response, the building owners have taken proactive steps not only to rectify these violations, but also to provide additional improvements. The comprehensive improvements will include the addition of a bathroom, a new facade to the storage units, interior upgrades to the storage units, new roof, expanding the awning over the car detailing business, and touch up painting for the previous Ella Bella building. The Historic District and Business Improvement Grant will only provide a 50% match up to \$11,000.00 for two items, the facade and an ADA compliant bathroom. Staff will bring the project to the SEDC Board of Directors during the May meeting. Below are pictures of the current state of the project, and the proposed after picture.



News and Updates Continued...

3 Create Effective Marketing and Communications

Retail Coach/EDC Partnership

Sealy EDC staff is gearing up for further collaboration with The Retail Coach. The Retail Coach will be representing Sealy, TX at the International Council of Shopping Centers Retail Conference in Las Vegas this month. During the event, Retail Coach representatives have scheduled meetings with retail developers. Some first-phase interest has already come from selected retailers who have requested additional information about Sealy. Sealy EDC staff will follow up with the Retail Coach at the end of May and receive updates regarding further interest and developments.

This month, the new market data provided by Retail Coach will be used to enhance our SEDC outreach. In our collaboration with the Greater Sealy Area Chamber of Commerce, two pages of content will be featured in the Chamber's annual periodical, and one of the two pages will feature this new market data.

Looking ahead, Retail Coach will assist us in utilizing their online software platform for real-time updates on retail recruitment progress and retailer responses. The platform will provide us with invaluable insights to drive our efforts forward.

Meetings with The Retail Coach have included:

02.23.24 Completed our kick-off call

03.19.24 Retail Coach provided our Market Data and a list of possible retail businesses for our Sealy market.

04.17.24 Retail Coach provided updates with retail that fits Sealy's market data, and developers that have shown interest in Sealy. Prepping for upcoming conference.

New Signage Enhancement

The owner/landlord of the Sealy Professional Building has generously presented the SEDC with exterior lighting for our signage. This lighting designed in the style of solar down lighting, illuminates only during nighttime hours. It will enhance the visibility of our office for travelers during evening hours and provide additional lighting for attendees during SEDC evening meetings.

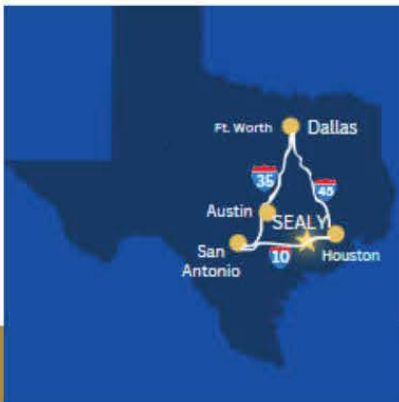


News and Updates Continued...

Enhance Amenities 4 for Citizens and Tourism

Sealy EDC Website Updates

This month EDC staff committed to steadily improving the Sealy EDC website. Over the coming months, all sections of the website are expected to undergo updates and improvements. These enhancements will focus on strengthening Sealy's connection to our target markets and ensuring that our market data remains current and the page remains operational. The approach involves systematically completing one page at a time. The improvement efforts are starting with the "Sealy Advantage Page", which is a link on the website's landing page. Sealy's greatest advantage is its location. Positioned within the Texas Triangle Region, with proximity to airports, seaports, higher education institutions, and metroplexes, Sealy is an ideal location for manufacturing and distribution. A comprehensive page highlighting the benefits of Sealy's location in relation to the transportation industry is currently under development and will be available for Board Review by the end of May. Subsequent pages will continue to showcase other advantages of Sealy in the near future.



Sealy - Texas Sign Improvement

The Sealy Texas Sign project is slated to start by the end of May 2024. Sealy EDC is working with City staff and Master Gardener, Renee Kofman to enhance this iconic area. The project was approved by the SEDC Board in March 2024 and subsequently by the Sealy City Council in April. Since then, the project has been on hold due to the 60-day waiting period following the public notice. The waiting period will conclude at the end of May. The project encompasses several improvements including enhanced landscaping, flag lighting, and fresh paint on the letters spelling out SEALY - TEXAS. SEDC will coordinate with our partner's schedules anticipating the project's completion in May or early June 2024. The project serves as a cost effective and preliminary step in improving the area before the projected TXDot projects begin in 4-5 years.



May 2024 Sales Tax Report

Dallas Federal Reserve Texas Economic Performance & and Outlook (April 2024) "Employment Growth Slows"

- Texas employment rose 1.6 percent in March, slower than February's 4.1 percent increase.
- Texas job growth grew slower the nation's 2.3 percent rise in March.
- The Dallas Fed's Texas Employment Forecast indicates jobs will increase by 2.3 percent in 2024.
- Forecast was 2.5 percent job growth this year.
- Year-to-date Texas employment growth was 2.5 percent greater than U.S. (2.1 percent)
- Texas unemployment held steady at 3.9 percent in March.
- U.S. unemployment rate ticked down to 3.8 percent in March.
- March Texas Business Outlook Surveys (TBOS) show improvement in the service sector but contracting manufacturing activity.
- Texas firms report a slowdown in the growth of prices and wages over the next 12 months.
- Over the next six months, Texas firms are concerned by weakening demand, potential recession, and domestic policy uncertainty

The economic outlook for the Houston region can be summarized as follows:

- **Job Growth:** In Q1 2024, Houston's job growth was 1.9%, which is slower than the state average of 2.5% and the national average of 2.1%. This indicates that Houston's job market is growing at a slower pace compared to the state and national levels.
- **Unemployment Rate:** The unemployment rate in Texas held steady at 3.9% in March 2024, which is the same as the national average. However, the document does not provide specific information about the unemployment rate in the Houston region.
- **Manufacturing Activity:** The document mentions that manufacturing activity in Texas turned negative in March 2024. While it does not provide specific data for Houston, it suggests that the manufacturing sector in the region may be contracting.
- **Housing Market:** The document indicates that Texas home sales and housing permits are on the rise, while mortgage rates have flattened. However, it does not provide specific data for the Houston region.
- **Office Vacancy:** The document mentions that office vacancy rates have risen in Houston. This suggests that there may be a surplus of office space in the region, which could indicate a slowdown in commercial real estate activity.
- **Oil and Gas Production:** The document states that Texas oil and gas production has fallen but remains around or above pre-pandemic peaks. This is relevant to the Houston region, as it is a major hub for the oil and gas industry.

May 2024 Sales Tax Report

How are we doing?

\$1,354,959

Fiscal Year to Date Collections

2.05%

Fiscal Year to Date Collections

\$282,209

12m Average Collections

Budget Tracking

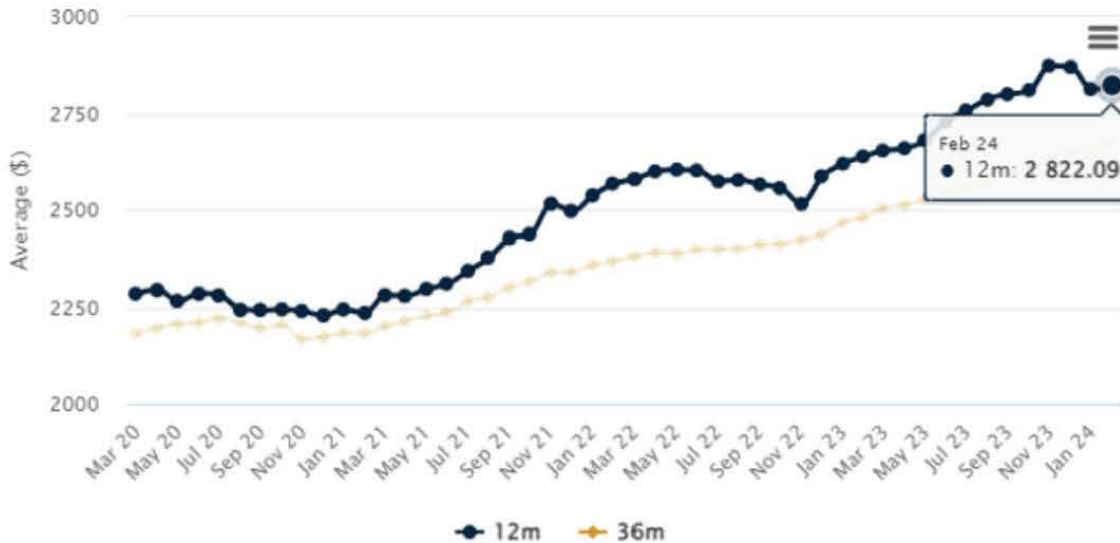
BUDGET

\$3,750,000

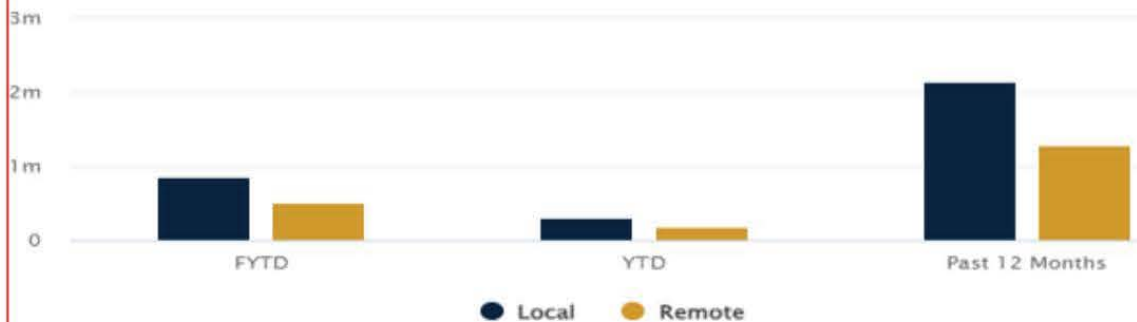
FYTD


\$1,354,959

Moving Averages



Local vs Remote

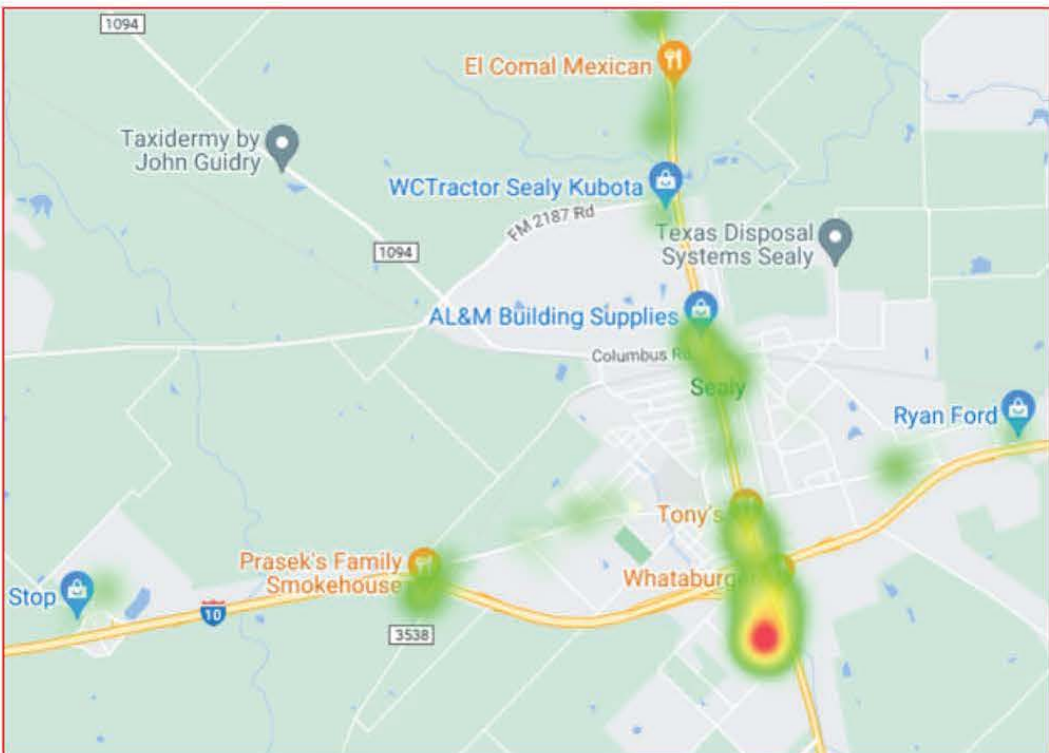


Top Industries  FYTD C

Department Stores (Retail)	\$273,358
Limited Service Eating Places (Food)	\$119,098
Other Nonstore Retailers (Retail)	\$89,263
Electric Utilities (General Services)	\$64,020
Gasoline Stations (Retail)	\$59,843
Specialty Trade Contractors (General Services)	\$49,811
Full-Service Restaurants (Food)	\$47,999
Building Materials Stores (Retail)	\$46,555

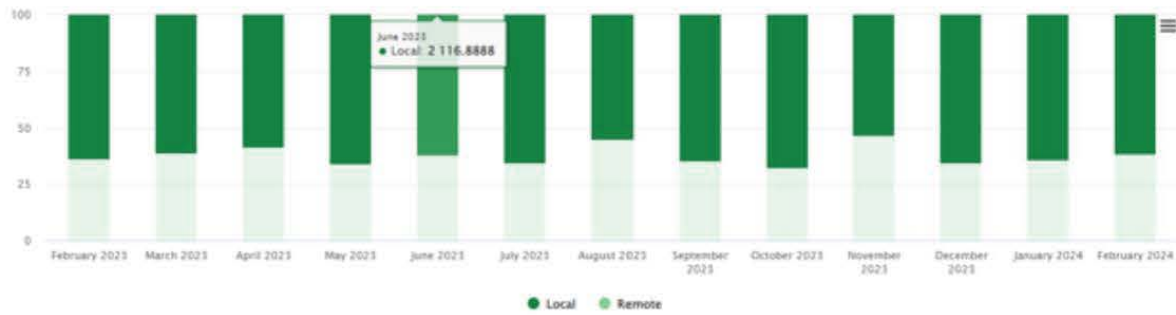
Top Regions  FYTD C

SH 36 south of I-10	\$414,394
Hwy 36 North of I-10 to Historic Downtown District	\$121,856
SH 36 North to Border	\$107,789
Downtown District	\$54,827
I-10 West Frontage	\$54,095
SH 90 Corridor	\$22,453
Business Park 3538 & 3013	\$20,109



Local revenue grew 3.2%, remote collections grew 11.86%

Locally generated sales tax collections grew \$4,926, or 3.2%, compared to last April, while collections from remote taxpayers grew \$10,291, or 11.86%. Over the past 12 months, local revenues have accounted for 62% of your total collections, compared to 38% for remotely generated revenues.

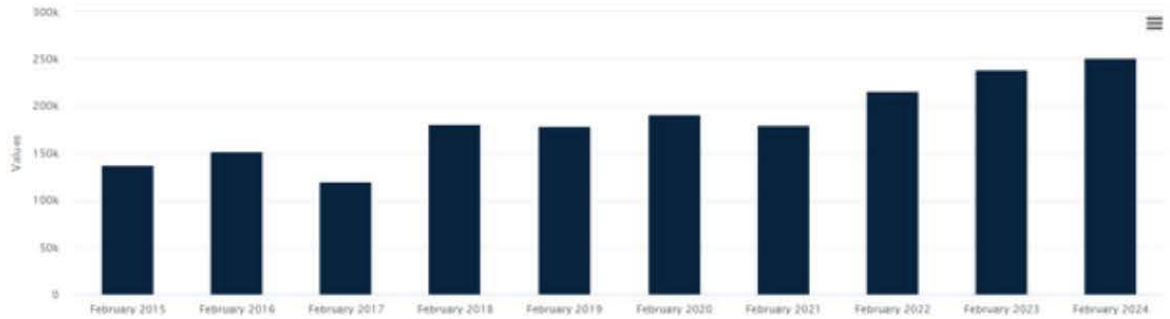


* Your confidential data file does not include every taxpayer that paid you, so these numbers will not match exactly with your monthly allocation.

Sales taxes up 5.3% in February

Sales tax collections for the month of February totaled \$251,435.08. This represents an increase of 5.31%, or \$12,686, compared to last year. Through February, sales tax collections are up \$27,254, or 2.05%, from the prior year, and at \$282,209, the 12-month moving average is 6.97% higher than this time last year.

The chart below shows the past 10 years of sales tax allocations for the month of February.



Retail industry rose 6%

Collections from the Retail industry grew \$6,967 in February, an increase of 5.96%. For the year, Retail is up \$14,178, or 2.1%.

The table below shows taxpayers with the biggest increases.

Wholesale industry rose 52%

Collections from the Wholesale industry grew \$6,123 in February, an increase of 51.55%. For the year, Wholesale is up \$24,180, or 50.7%.

Manufacturing industry dropped 31%

Collections from the Manufacturing industry fell \$6,190 in February, a decline of 31.34%. For the year, Manufacturing is down \$60,338, or 40.1%.

The table below shows taxpayers with the biggest declines.

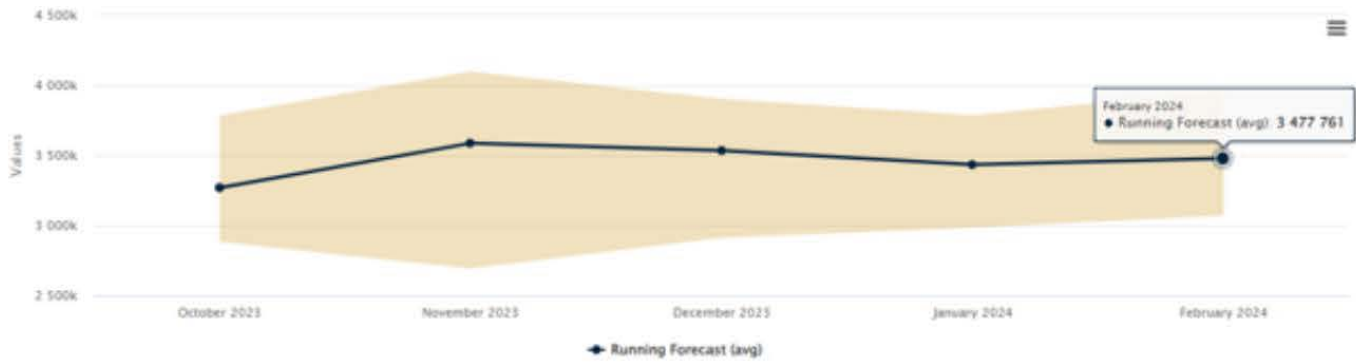
Top taxpayers grew 37% in February

Your top 10 taxpayers in the month of February combined for \$92,283, or 36.0% of your total collections. That represents an increase of \$24,949.25, or 37.05%

End of year projection shows around 3% growth over last year

Over the past 10 years, collections through February have, on average, represented between 34.2% and 44.1% of your end-of-year collections. Based on your FYTD collections through February and historical collection data, you should reasonably be able to expect end-of-year revenue to fall between \$3,070,380 and \$3,960,710. Last year you collected \$3,359,254.

The chart below shows our end-of-year projections based on each month that has passed so far this fiscal year.



This is a simple weighted forecast. It compares the fiscal year to date totals for each month with the ending collections amount to estimate what percentage of revenue had been collected up to that point. Using several years of historical data (weighting recent years more heavily), you can project your end of year totals within a reasonable range of confidence. As the year progresses, the forecast will grow more accurate. The main limitation with this methodology is it does not account for major new taxpayers that may come online later in the current year.

Entity	April 2024	YoY Change	YTD
El Campo, Texas	\$462,939	23.17%	\$1,998,694
Sealy, Texas	\$251,435	5.31%	\$1,107,847
Orchard, Texas	\$4,866	-18.67%	\$32,187
La Grange, Texas	\$227,213	-19.83%	\$877,697
Fayetteville, Texas	\$7,654	-22.62%	\$38,634
Bellville, Texas	\$82,486	12.94%	\$360,504
San Felipe, Texas	\$40,232	0.77%	\$156,182
Beasley, Texas	\$47,872	134.66%	\$179,112
Brazos Country, Texas	\$3,656	25.03%	\$15,279
Brenham, Texas	\$786,741	7.53%	\$3,297,305
Brookshire, Texas	\$308,419	11.39%	\$1,373,254
Columbus, Texas	\$159,255	5.62%	\$697,045
Eagle Lake, Texas	\$32,398	-9.00%	\$135,699
East Bernard, Texas	\$58,660	33.07%	\$239,288
Fulshear, Texas	\$508,390	6.87%	\$2,463,888
Schulenburg, Texas	\$92,650	-12.90%	\$397,313
Simonton, Texas	\$29,996	3.28%	\$119,460

Upcoming Local Events

Upcoming Agenda Items May 2024

May 2024

- May 1: Lunch and Learn with County Commissioners at the American Legion
- May 4: Kids Fish with the Sealy Police Department
- May 4: Sewing for Students at the Gordon Memorial Library
- May 8: Ribbon Cutting for Clint's Guns and Ammo at 901 Meyer Street
- May 17: Kentucky Derby Banquet 2024 at the American legion Post 442
- May 18: Multicultural Festival at Levine Park 10am-2pm
- May 25: Babes in Boxers at Saddleback Saloon 8pm-11:45pm

- Medrano Facade Project, a car wash and storage unit business.
- Exiting Board Member Recognition

*Thank
you!*

As we navigate through the internal office needs, new projects, and our strategic plan we remain committed to transparency, accountability, and progress. Together, we can shape Sealy with a future of promise and prosperity.

