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Victoria Development Activity tops \$150M in 2014

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By Melissa Crowe

Victoria clocked more than \$150 million in development in 2014, thanks in part to a drilling boom that shot Texas' oil production to the highest it has been in decades.

It's not just oil and gas playing into the city's construction figures. Demand for housing in Victoria has rocketed during the past five years, bringing a flurry of developers who are attempting to fill the void.

Planning Services Director Jared Mayfield said Victoria has seen more development in the past fiscal year - from Oct. 1 to Sept. 30 - than it has in any recent history.

The growth "is a pretty stark contrast if you look at where we were four or five years ago," Mayfield said.

Victoria will soon be getting four more apartment complexes - the biggest boom since at least the 1980s, Mayfield said.

The Duke Apartments, 301 Augusta Drive, represents a \$19.2 million investment - the largest the city has seen in the past year.

Country Lane Town Homes is a \$8.3 million investment off Zac Lentz Parkway.

David Brown, the designer, planner and owner of the development, said he and other members in the company are committed, but "cautiously optimistic" about the townhome development's success.

Brown called Victoria "a great hub for South Texas."

"We think this area has great potential for growth and is very comfortable compared to Austin, Houston or San Antonio," Brown said. "It's an easy place to live."

Brown, who was in town from Carbondale, Colo., said the townhome development will have a dog park, clubhouse and pool with market rate rents in line with other complexes such as The Hawthorne.

In the past four years, the city permitted 1,750 new apartment units.

Mayfield does not foresee another large apartment complex to open in Victoria for the next year or two.

Five years ago, the concern was centered on a housing shortage, he said.

Housing production wasn't keeping up with the demand.

The city still has a need for about 1,100 more housing units to meet the next five years of population growth, Mayfield said.

Home values are holding in Victoria, with an average value of about \$109,000.

Nationally, Houston was the country's fastest growing city in 2014, according to Forbes rankings released in February.

Texas cities claimed five of the top 10 spots on the Forbes roster - Austin, Dallas, Fort Worth and San Antonio.

Victoria's employment rate and labor force has steadily increased over the past five years, according to the Bureau of Labor Statistics.

The average first year earnings of college graduates is \$41,090, part of an upward trend over prior years, according to information from Texas Consumer Resource for Education and Workforce Statistics.

With the city's population growing about 4 percent, according to U.S. Census figures, Victoria is expected to break the 70,000 mark in the next five years.

Mayfield said he is hopeful the positive growth and jobs reports will be unaffected by sliding oil prices that have prompted scads of layoffs in the local energy sector.

"Oil and gas is only part of our economy," Mayfield said. "There's Caterpillar and the hospitals, the school districts

and all the other employers who have been here contributing to our needs and growth."

Formosa Plastics Corp. is in the early phase of a fourth expansion, estimated to cost \$2 billion and create 250 new full-time jobs.

University of Houston-Victoria is in the process of adding a \$20 million residence hall and lobbying for a \$166 million in tuition revenue bonds and \$6 million in program development funds.

"I think we're OK right now," Mayfield said. "We haven't seen the oil industry do a slash and burn in Victoria. There's still activity happening."

A new Honda car dealership is in the works on a plot of land off North Navarro Street.

He called it a "wait and see" period.

"Nobody has a crystal ball to see what will happen," Mayfield said.

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