



Board Presentation

Construction Division

February 18, 2026

SEE THE IMPACT



Who we are:



Construction Services

Joe Carreon

Construction Director 8 yrs

Thomas Plapp

Fixed Asset Clerk 31 yrs

Shantal Lugo

Environmental Specialist 1 yr

Albert Valadez

Environmental Specialist Part-Time



Division Goal



The Construction Division delivers comprehensive service and support for all HCDE facilities, working collaboratively with colleagues to understand and effectively meet the unique needs of each division.

What we do:

Construction Director:

- Liaison to architects, engineers, and consultants to develop and finalize construction plans and specifications.
- Assist with land acquisition, appraisals, & environmental reports.

Fixed Assets Clerk:

- Performs Annual Capital Inventory.
- Maintain records of fixed assets transactions.

Environmental Specialist:

- Performs fire and safety inspections on all HCDE buildings.
- Performs inspections on playgrounds and ropes course.



Projects

Completed

- 600 Crosstimbers Demolition
- Tidwell Early Head Start Playground
- LaPorte Head Start Electrical Service Poles
- ABS West AC Rooftop Unit Replacement
- Records Management AC Rooftop Unit Replacement
- High Point East High School Lobby Access Doors
- Fortis Academy Roof

Projects

Current

- Administration Building Renovations: Phase 2
- Administration Building Generator Replacement
- NPO Roof and HVAC
- Coolwood Head Start Early Head Start Playground and Shade Structure

Completed Project: Tidwell Head Start Playground



Completed Project: LaPorte Head Start Electrical Poles



Completed Project: LaPorte Head Start Electrical Poles



Completed Project: Records MGMT HVAC Replacement



Completed Project: High Point East High School



Completed Project: Fortis Academy Roof



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Completed Project: Fortis Academy Roof



Current Project: Administration Building Renovation



Current Project: Administration Building Renovation



Current Project: Administration Building Renovation



Overview 2025

Texas' economy slowed sharply in 2025

- Output growth was below average, and job growth was zero at best
- Higher tariffs, falling immigration, federal government cutbacks & widespread policy uncertainty contributed to lower growth
- Texas contended with job losses in energy and high-tech
- Downturn in residential construction

Outlook for 2026 calls for a slight pickup in growth

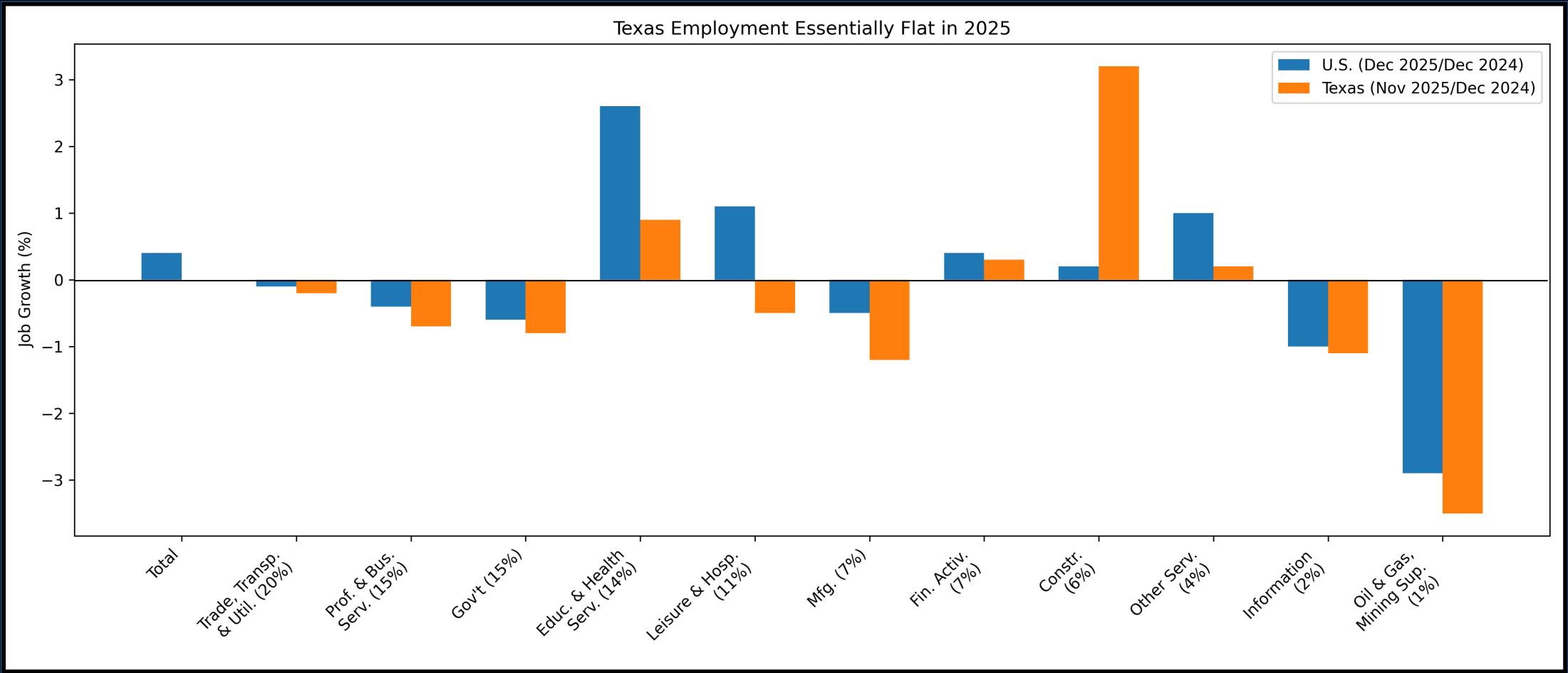
- Momentum in AI investment and data center construction will carry forward
- Fiscal policy may add to growth, as will easier financial conditions and deregulation
- FIFA World Cup

Headwinds

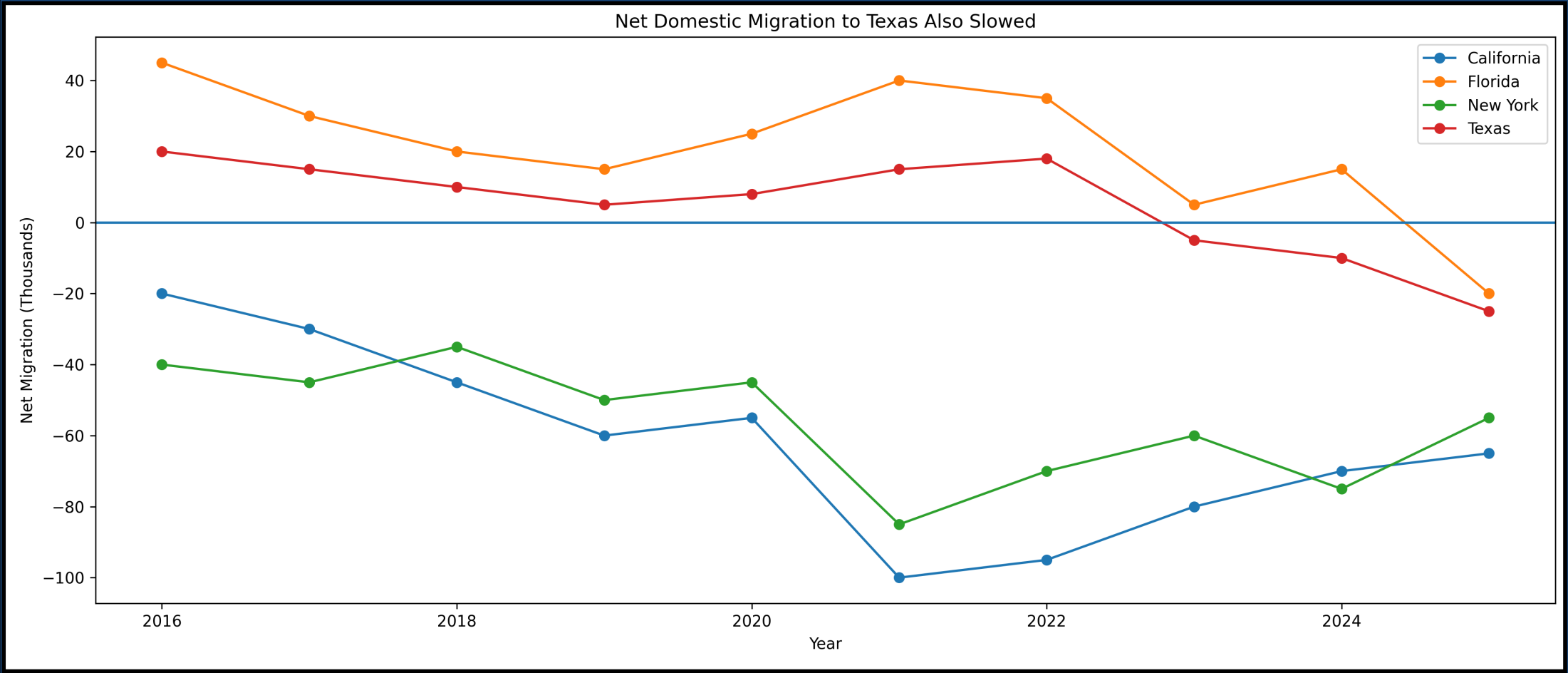
- Labor supply constraints, residential housing markets, low oil prices, and cuts to safety net programs
- Outcome of USMCA renegotiation also pivotal for Texas



Overview 2025



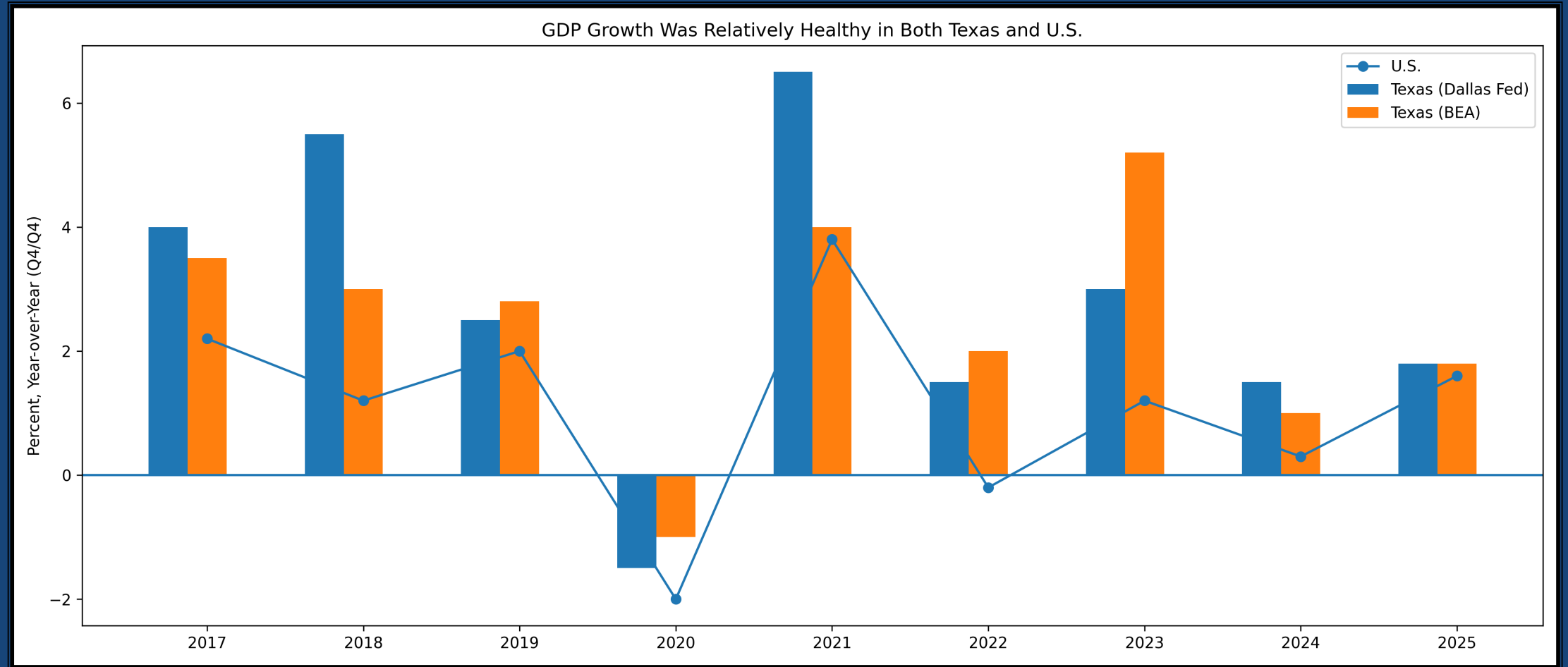
Overview 2025



Notes: Shown are estimated net migration levels. Data is seasonally adjusted and quarterly through Q3 2025
Sources: Equifax Consumer Credit Panel; seasonal and other adjustments by Federal Reserve Bank of Dallas 2026



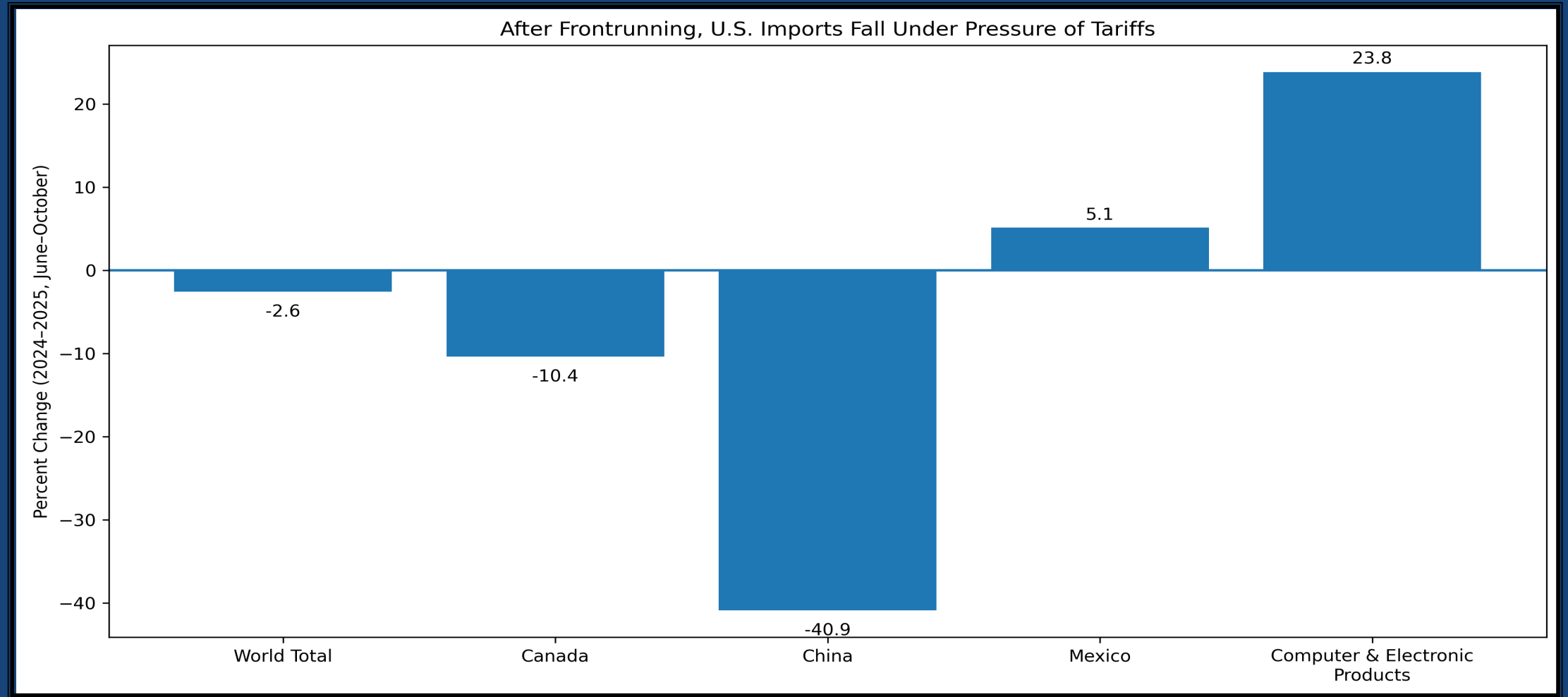
Overview 2025



Notes: Shown is Q4/Q4, real GDP Growth. 2025 is Q2 '25/Q4 '24 for US and Texas (In parentheses is annualized Q3 '25/Q4 '24 for the US)
Sources: Bureau of Economic Analysis; Federal Reserve Bank of Dallas 2026



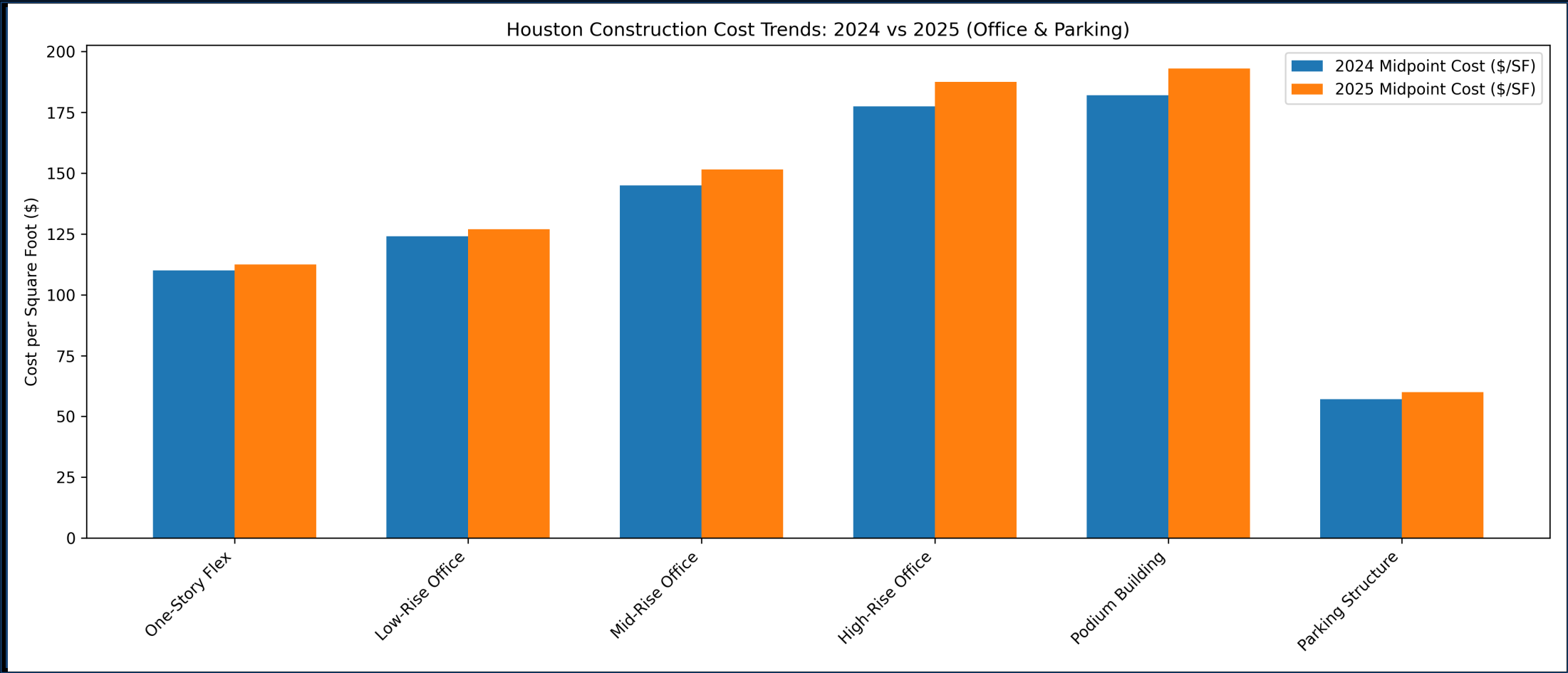
Overview 2025



Notes: Shown is the percent change from 2024 to 2025 in cumulative imports for June through October
Sources: US Census Bureau



Trends 2025



Sources: Kirksey Architecture Construction Cost Trends 2025



Factors That Could Affect Construction Inflation in 2025

- Inflation is expected to average around 2.2% in the final quarter of 2025, which is close to the Fed's 2% target.
- Interest rates are expected to decline, which could lead to more construction projects.
- Supply chain issues could continue to disrupt the industry, increasing prices and causing production delays.
- There may be a shortage of skilled workers to meet production demands.
- The threat of increased tariffs on imports from Canada, Mexico, and China could reignite inflation.



Our Enemy is Unpredictability

- The biggest challenge is to predict what might happen next.
- As inflation stabilizes and the global economy steadily improves, there is still a great deal of uncertainty.
- Resilience!
 - We have to have the willingness to think differently.
 - Make time to work together to analyze and account for known risks and understand potential consequences for current and future projects.
 - Become more agile and adaptive to new opportunities.

