

PROFESSIONAL SERVICES AGREEMENT FOR THE CITY OF NEW BRAUNFELS ECONOMIC DEVELOPMENT PROGRAM.

This agreement made and entered into as of the October 1, 2022 by and between the Greater New Braunfels Economic Development Corporation ('EDC') and the Greater New Braunfels Chamber of Commerce, Inc. ('Chamber').

WITNESSETH

WHEREAS the Chamber is a private nonprofit corporation and is eligible to receive funds for the purpose contained herein; and

WHEREAS the EDC is an economic development corporation formed by the City of New Braunfels ('City') pursuant to the Local Government code, Chapters 501-505 authorized to contract with another existing private corporation to carry out an industrial development program or objective or to assist with the development or operation of an economic development program or objective consistent with the purposes and duties specified in Section 502.051; and

WHEREAS the parties wish to jointly develop a program to implement the *Confluence* economic development strategy through the promotion of economic development and to stimulate business and commercial in the City of New Braunfels; and

WHEREAS the EDC has decided to contract with an existing private corporation for the purpose of providing professional services to the EDC and EDC has requested that Chamber be that private corporation; and

WHEREAS the parties desire to set forth the responsibilities and obligations of the parties and the terms and conditions with respect to the use of funds provided.

NOW THEREFORE, in consideration of the premises, the parties agree as follows:

**ARTICLE 1
CONFLUENCE ECONOMIC DEVELOPMENT PLAN**

Section 1.01. Confluence Economic Development Plan. The parties agree to work together to implement *Confluence*, a five-year economic development strategy developed in 2022 to be implemented in 2023-2027. The program's strategic priorities are to (1) attract quality jobs in target industries, (2) create competitive office and industrial spaces, (3) support the success of startups, (4) align and optimize the workforce, (5) improve mobility and transportation options, and (6) execute proactive land use and development strategies.

Section 1.02. Public-private partnership. This Agreement will be implemented in partnership with other members of the area's economic development community, and the Chamber will

manage this partnership. The parties will also work cooperatively with other local, regional, and state entities in the best interest of the citizens of New Braunfels.

ARTICLE 2 ADMINISTRATION

Section 2.01. Chamber's administrative responsibilities. Except as otherwise specified in this Agreement, the Chamber will provide such services as will be determined by the EDC and will seek to assist the EDC in accomplishing the objectives and measurements described in Appendix A to this agreement. These services will be implemented by the Chamber with input and counsel from an advisory team consisting of the City Manager, a representative of the EDC Board, a representative of the Greater New Braunfels Economic Development Foundation ('EDF'), a representative of the Chamber, the CEO of New Braunfels Utilities, the County Judge, and the Mayor. The Chamber President/CEO will ensure that the advisory team meets regularly and will prepare briefings.

Section 2.02. Chamber's reporting responsibilities. In addition to convening the advisory team, the Chamber is accountable for the reporting of progress to the EDC and to the City. The following reports will be delivered by the Chamber:

- a) By the end of October, the Chamber will produce an annual Operating Plan covering activity during the City's fiscal year.
- b) Chamber will provide the EDC quarterly written reports due on or before the last day of October, January, April, and July.
- c) Provide presentations as requested by the EDC or City.

ARTICLE 3 FUNDING

Section 3.01. Fees. For the services provided by the Chamber in the administration and execution of the Program, the EDC agrees to pay to the Chamber a monthly sum according to this schedule:

- a) Year one of agreement - \$45,833 per month
- b) Year two of agreement - \$50,000 per month
- c) Year three of agreement - \$54,166 per month
- d) Year four of agreement (option see 4.02) - \$58,333 per month
- e) Year five of agreement (option see 4.02) - \$62,500 per month

Payment will be made by the EDC to the Chamber on or before the first day of the month, beginning on October 1, 2022 and on or before the first day of each calendar month thereafter until this agreement is terminated. The Parties may from time to time, and by mutual written agreement, agree that the EDC shall pay to the Chamber additional amounts for specific items as may be mutually agreed upon. The Chamber will provide an invoice to the EDC by the first of each month.

Section 3.02. Private sector funding. The Chamber agrees to pursue regular private sector fundraising through its partnership with the EDF for the purpose of supplementing the funds provided by the EDC.

Section 3.03. Annual audit. During the term of this agreement, and no later than six months following the end of the Chamber's fiscal year, the Chamber agrees to provide to the City and EDC a copy of its annual audit which shall include the program funds and expenditures. The annual audit shall be prepared by an independent public accountant in accordance with generally accepted accounting principles, consistently applied. The Chamber agrees to permit the audit of these funds and expenditures by the City or its designated auditor.

ARTICLE 4 EFFECTIVE DATE AND TERM

Section 4.01. Effective date. The effective date of this agreement is October 1, 2022.

Section 4.02. Initial term of agreement. The initial term of the agreement shall be for a three (3) year period commencing on the effective date and shall continue in effect until September 30, 2025.

Section 4.02. Automatic renewal. At the end of the third year of this agreement (September 30, 2025), unless any party shall have given 90-days' prior written notice of termination to the other parties, the term shall automatically renew for an additional two (2) years.

Section 4.03. Termination or cancellation. Except as provided above and with this section, this agreement may only be cancelled or terminated upon mutual consent of the parties. Upon termination as provided herein, all obligations shall cease herein, and the EDC shall only provide funding for expenses expended or incurred up to the date of termination; provided however, that the EDC shall not have an obligation to fund such incurred expenses unless the City and/or the EDC receives the benefit of such expenses. All funds paid to the Chamber in accordance with Article 3 of this Agreement, which are not used to pay actual expenses prior to the date of termination, shall be returned to the EDC.

SIGNATURE PAGE TO FOLLOW

IN WITNESS WHEREOF, the Parties have executed this Agreement on the date set forth below.

THE GREATER NEW BRAUNFELS
CHAMBER OF COMMERCE, INC.

THE NEW BRAUNFELS
ECONOMIC DEVELOPMENT CORPORATION

Jonathan Packer, President

Kathy Meurin, President

ATTEST:

ATTEST:

By: _____
Allison Humphreys,
Vice Chair of the Board

By: _____
Jim Poage, Secretary

APPENDIX A PERFORMANCE OBJECTIVES AND MEASUREMENTS

STRATEGIC PRIORITIES

1. Attract quality jobs in target industries

High-skill, high-wage jobs are growing across the I-35 megaregion. Positive momentum through targeted strategies can help the community achieve greater economic balance (in terms of its commuting flows) and greater economic diversity (in terms of employment mix).

- Invest in existing local companies through a robust business retention and expansion (BRE) program
- Deploy a highly targeted marketing strategy to desired industries and operations
- Invest in media and public relations to promote our competitiveness
- Update guidelines for incentive evaluation to align with targeted industries

Key measurements:

- Generate 150 new leads annually through marketing campaigns
- Primary job growth of 500 annually in targeted occupations, industries, and operations
- Through our BRE program, provide assistance to 50 companies annually

2. Create competitive office and industrial spaces

The relative lack of office space is an inhibitor to competitiveness for high-skill, high-wage job recruitment. Also, there is a need for ready-to-go industrial properties that can help the community compete for investments that are looking for quick-to-market solutions.

- Evaluate, identify, and prepare high-value sites for office and industrial uses
- Invest in engineering and environmental studies that expedite or certify site readiness
- Deploy funds to accelerate site readiness and prepare speculative space
- Utilize available financial incentives to encourage desirable developments

Key measurements:

- Over the next 5-years, increase class A office inventory by 500,000 square feet
- Increase industrial inventory by 1,000,000 square feet over 5 years

3. Support the success of startups

Self-employment rates are comparable to our regional peers, but New Braunfels lacks startup density (as measured by angel, venture, or private equity funded companies). Intentional support of homegrown companies with high-growth potential will yield important opportunities for New Braunfels' talented population.

- Study of the startup economy and identify niche opportunities for targeted support in New Braunfels
- Evaluate the potential feasibility of operating models

- Advance results of the feasibility study, potentially including formation of a new startup hub

Key measurements:

- Companies that receive seed, venture, and private equity funding
- Self-employment as a share of total employment

4. Align and optimize the workforce

Access to talent is the most crucial factor in company location decisions. Additionally, workforce issues like housing and workforce participation rate are deepening nationally and significantly impacting companies' ability to hire and grow. Creating best-in-class strategies to address this challenge will be critical.

- Optimize offerings at the Central Texas Technology Center to support target industries. The Chamber will serve as an industry liaison to increase private sector participation.
- Provide technical training to residents to advance their careers
- Invest in workforce housing product
- Continue to advance higher education opportunities for residents

Key measurements:

- Workforce housing units created
- Expand the number of training opportunities available for residents and local companies

5. Improve mobility and transportation options

We can mitigate traffic impacts without stifling growth by focusing on the alignment of jobs and resident skills, and by facilitating denser, mixed-use development patterns that put people closer to jobs and services.

- Advance critical infrastructure projects
- Improve pedestrian connectivity and trail infrastructure
- Help identify opportunities for next generation transportation technology deployment

Key measurements:

- Commuting times
- Improve connectivity to key corridors

6. Execute proactive land use and development strategies

While other communities must stimulate growth, New Braunfels is afforded the opportunity to guide and steer the growth that is coming to it. We must initiate new developments that align with the community's vision.

- Expedite catalytic private developments that align with the community's vision
- Proactively guide the development of property in alignment with existing land use plans

Key measurements:

- Tax value added through infill development
- Number of hotel keys suitable for corporate groups

RESPONSES

1. Respond in a timely fashion to companies inquiring about business opportunities in New Braunfels in alignment with our target occupations, industries, and operations.
2. Provide economic data support for EDC projects.

MAINTENANCE

1. Maintain a complete inventory of sites and building within the area available for development, sale, or lease.
2. Work in conjunction with local companies wishing to expand or requesting assistance for specific services that generate increases to primary employment in New Braunfels.
3. Maintain a centralized prospect tracking system.
4. Promote local and regional cooperation and increase public awareness of the importance of economic growth.