



**CITY OF NEW BRAUNFELS, TEXAS
ECONOMIC DEVELOPMENT CORPORATION
MEETING
CITY HALL - COUNCIL CHAMBERS
550 LANDA STREET**



THURSDAY, AUGUST 15, 2024 at 5:00 PM

AGENDA

1. CALL TO ORDER

2. ROLL CALL

3. APPROVAL OF MINUTES

- A) Approval of the July 18, 2024 regular meeting minutes [24-1030](#)
- B) Approval of the August 1, 2024 special called meeting minutes [24-1031](#)

4. CITIZENS' COMMUNICATIONS

This time is for citizens to address the Board on issues and items of concerns not on this agenda. There will be no Board action at this time.

5. TREASURER'S REPORT

- A) Presentation and discussion on the August 2024 Treasurer's Report [24-1022](#)

6. DISCUSSION AND POSSIBLE ACTION

- A) Presentation and discussion on proposed project expenditures to advance three pedestrian improvement projects [24-1033](#)
- B) Presentation and update on the Last Tuber's Exit project [24-1034](#)
- C) Presentation and discussion on a proposed economic development incentive to 210 S. Castell, LLC for the Co-Op Marketplace project [24-926](#)
- D) Presentation, discussion, and possible action approving a proposed administrative support and professional services contract for FY25 with the City of New Braunfels [24-1032](#)

7. EXECUTIVE SESSION

In accordance with the Texas Government Code, Section 551.071, the Board reserves the right to retire into executive session concerning the items listed on this agenda to consult with its attorney. In addition, the Board may convene in executive session on any of the following items, with any final action being taken in open session:

- A) Deliberate issues regarding economic development [24-1029](#)
negotiations in accordance with Section 551.087 of the
Texas Government Code:
 - 1. Project Shoot
 - 2. Project Texas
 - 3. Project Madeline
 - 4. Project Pine Tree
 - 5. Project Tech
 - 6. Project Fiber Source
 - 7. Project Nemo
 - 8. Project Icon
- B) Deliberate and consider the purchase, exchange, lease, [24-1054](#)
contract terms, due diligence, or value of real property, in
accordance with Section 551.072 of the Texas
Government Code:
 - 1. A-1 SUR-1 AM Esnaurizar, up to 100 acres
- C) Deliberate pending/contemplated litigation, settlement [24-1055](#)
offer(s), and matters concerning privileged and
unprivileged client information deemed confidential by
Rule 1.05 of the Texas Disciplinary Rules of Professional
Conduct in accordance with Section 551.071, of the
Texas Government Code, specifically:
 - 1. A-1 SUR-1 AM Esnaurizar, up to 100 acres

8. **ADJOURNMENT**

CERTIFICATION

I hereby certify the above Notice of Meeting was posted on the bulletin board at the New Braunfels City Hall.

Board Liaison

NOTE: Persons with disabilities who plan to attend this meeting and who may need auxiliary aids or services such as interpreters for persons who are deaf or hearing impaired, readers, or large print, are requested to contact the City Secretary's Office at (830) 221-4010 at least two (2) work days prior to the meeting so that appropriate arrangements can be made.



Economic Development Corporation Agenda Item Report

550 Landa Street
New Braunfels, TX

8/15/2024

Agenda Item No. A)

SUBJECT:

Approval of the July 18, 2024 regular meeting minutes

DEPARTMENT: Economic and Community Development

**DRAFT - MINUTES
OF THE NEW BRAUNFELS ECONOMIC DEVELOPMENT CORPORATION
REGULAR MEETING OF THURSDAY, JULY 18, 2024**

AGENDA

1. CALL TO ORDER

President Kathy Meurin called the meeting to order at 5:03PM.

2. ROLL CALL

Present: Kristen Carden, Shane Hines, Tera Thompson, Kathy Meurin, Don Austin, and Larry Hammonds (5:04PM)

Absent: Jason Hurta

Also in Attendance: Mayor Neal Linnartz

3. APPROVAL OF MINUTES

A) Approval of the June 17, 2024 special-called meeting minutes

President Meurin introduced this item. Director Hines motioned to approve, Director Carden seconded the motion and the June 17, 2024 special-called meeting minutes were unanimously approved.

B) Approval of the June 20, 2024 regular meeting minutes

President Meurin introduced this item. Director Hines motioned to approve, Director Carden seconded the motion and the June 20, 2024 regular meeting minutes were unanimously approved.

4. CITIZENS' COMMUNICATIONS

This time is for citizens to address the Board on issues and items of concerns not on this agenda. There will be no Board action at this time.

None.

5. TREASURER'S REPORT

A) Presentation and discussion on the July 2024 Treasurer's Report

President Meurin introduced this item. Jeff Jewell, Director of Economic and Community Development, presented on this matter. Mr. Jewell identified a 1.1% decrease in sales tax collections for May 2024; with adjustments removed, current to current collections decreased by 2.8%. The decline in collections for May can be attributed to a large

pre-payment by a large sales tax contributor in April. Through the first eight months of the fiscal year, collections are up 5.5% and remain above the FY24 budget projection. Mr. Jewell shared additional graphs indicating projected revenues, current commitment projections, infrastructure investments, the projected capacity for additional expenditures, and the proposed ending fund balance to FY26. A proposed NBEDC FY25 budget was also included in the Treasurer's Report.

6. ADVISORY TEAM REPORT

A) Presentation and discussion on the Quarterly Advisory Report
President Meurin introduced this item. Michele Boggs, Senior VP, of the New Braunfels Chamber of Commerce presented a Powerpoint addressing second quarter accomplishments and work completed in support of the Confluence strategic plan priorities. Ms. Boggs discussed leads, pending projects, marketing activity, business retention and expansion work, entrepreneurship, workforce development updates, and progress in addressing early childhood education needs in our community. Economic indicators, employment/unemployment numbers, labor force participation rates, and education metrics were also shared.

7. DISCUSSION AND POSSIBLE ACTION

A) Public hearing, discussion, and possible action approving an expenditure of up to \$45,000 to Economic & Planning Systems, Inc., for phase two of a planning and feasibility study - a possible public/private partnership, pursuant to section 505.102 of the Texas Local Government Code.

President Meurin introduced this item. Mr. Jewell presented on this matter and provided the Board a refresher about the next stage of the "Gruene 16" feasibility project. The planning process for the NBEDC-owned property on Gruene Road started in Fall 2023. Three development themes have emerged and phase two of this project will further refine the vision, address site planning, and undertake the solicitation process. The initial budget for this phase is \$60,000; however, \$15,000 from the previously approved funds from the first phase will be carried over. Mr. Jewell answered questions from the Board.

President Meurin opened the public hearing at 5:23PM. No comments were made. President Meurin closed the public hearing at 5:23PM.

Director Austin motioned to approve the project expenditure of up to \$45,000 for phase two of the project. Director Carden seconded the motion which was unanimously approved.

B) Presentation and discussion on a proposed administrative support and professional services contract with the City of New Braunfels.

President Meurin introduced this item. Mr. Jewell presented on this matter and reminded the Board of their annual administrative support and professional services contract with the City. This contract allows City staff to support the NBEDC with contract development and administration, auditing and performance monitoring, fiscal impact analyses, legal services, annual reporting compliance, project management, financial transparency, and work to address the strategic initiatives. Staff are proposing at \$50,000 increase to the FY25 contract with \$25,000 earmarked for property management costs and \$25,000 for professional services like feasibility studies and property appraisals. Mr. Jewell provided additional details around financial transparency, performance management, project management, and annual compliance efforts by City staff.

C) Discussion and possible action to reschedule the September 19, 2024 NBEDC meeting to another date in September

President Meurin introduced this item. Community events and upcoming travel may impact the potential for a quorum at the NBEDC September meeting, a new meeting date will need to be identified. The Board requested an emailed poll to address availability before selecting the rescheduled date.

8. EXECUTIVE SESSION

In accordance with the Texas Government Code, Section 551.071, the Board reserves the right to retire into executive session concerning the items listed on this agenda to consult with its attorney. In addition, the Board may convene in executive session on any of the following items, with any final action being taken in open session:

- A) Deliberate issues regarding economic development negotiations in accordance with Section 551.087 of the Texas Government Code:
1. Project Texas
 2. Project Madeline
 3. Project Lark
 4. Project Gather

5. Project Aqua

6. Project Diamond

President Meurin introduced this item. The Board entered into Executive Session at 5:35PM. The items were discussed in the following order: Project Texas, Project Madeline, Project Diamond, Project Aqua, and Project Gather. Project Lark was not discussed. No action was taken. The Board returned to open session at 5:58PM.

9. **ADJOURNMENT**

President Meurin adjourned the meeting at 5:58PM.

By: _____
KATHY MEURIN, PRESIDENT



Economic Development Corporation Agenda Item Report

550 Landa Street
New Braunfels, TX

8/15/2024

Agenda Item No. B)

SUBJECT:

Approval of the August 1, 2024 special called meeting minutes

DEPARTMENT: Economic and Community Development

**DRAFT - MINUTES
OF THE NEW BRAUNFELS ECONOMIC DEVELOPMENT CORPORATION
REGULAR MEETING OF THURSDAY, AUGUST 1, 2024**

Special-Called

1. CALL TO ORDER

President Kathy Meurin called the meeting to order at 5:01PM.

2. ROLL CALL

Present: Kathy Meurin, Larry Hammonds, Shane Hines, Jason Hurta, Tera Thompson, Don Austin, and Kristen Carden (5:44PM)

Also in attendance: Mayor Neal Linnartz and City Manager Robert Camareno

3. CITIZENS' COMMUNICATIONS

This time is for citizens to address the Board on issues and items of concerns not on this agenda. There will be no Board action at this time.

None.

4. EXECUTIVE SESSION

In accordance with the Texas Government Code, Section 551.071, the Board reserves the right to retire into executive session concerning the items listed on this agenda to consult with its attorney. In addition, the Board may convene in executive session on any of the following items, with any final action being taken in open session:

A) Deliberate and consider the purchase, exchange, lease, contract terms, due diligence, or value of real property, in accordance with Section 551.072 of the Texas Government Code:

1. A-1 SUR-1 AM Esnaurizar, up to 100 acres

President Meurin introduced this item. The Board entered into Executive Session at 5:07PM.

B) Deliberate pending/contemplated litigation, settlement offer(s), and matters concerning privileged and unprivileged client information deemed confidential by Rule 1.05 of the Texas Disciplinary Rules of Professional Conduct in accordance with Section 551.071, of the Texas Government Code, specifically:

1. A-1 SUR-1 AM Esnaurizar, up to 100 acres

President Meurin introduced this item. Items A and B were discussed. No action was taken. The Board returned to open session at 6:39PM.

5. DISCUSSION AND ACTION

A) Public hearing, discussion, and possible action, approving a project expenditure of up to \$2,000,000 for additional due diligence costs and financing interest related to the previously approved project for the purchase up to 100 acres out of the AM Esnaurizar Survey No. 1, Abstract 1, Comal County, Texas, pursuant to section 501.101 of the Texas Local Government Code.

President Meurin introduced this item. Director Hines motioned to table this item until the next meeting. Director Hurta seconded the motion which was unanimously approved.

6. ADJOURNMENT

President Meurin adjourned the meeting at 6:41PM.

By: _____
KATHY MEURIN, PRESIDENT



Economic Development Corporation Agenda Item Report

550 Landa Street
New Braunfels, TX

8/15/2024

Agenda Item No. A)

SUBJECT:

Presentation and discussion on the August 2024 Treasurer's Report

DEPARTMENT: Finance

August NBEDC Treasurer's Report

August 15th, 2024

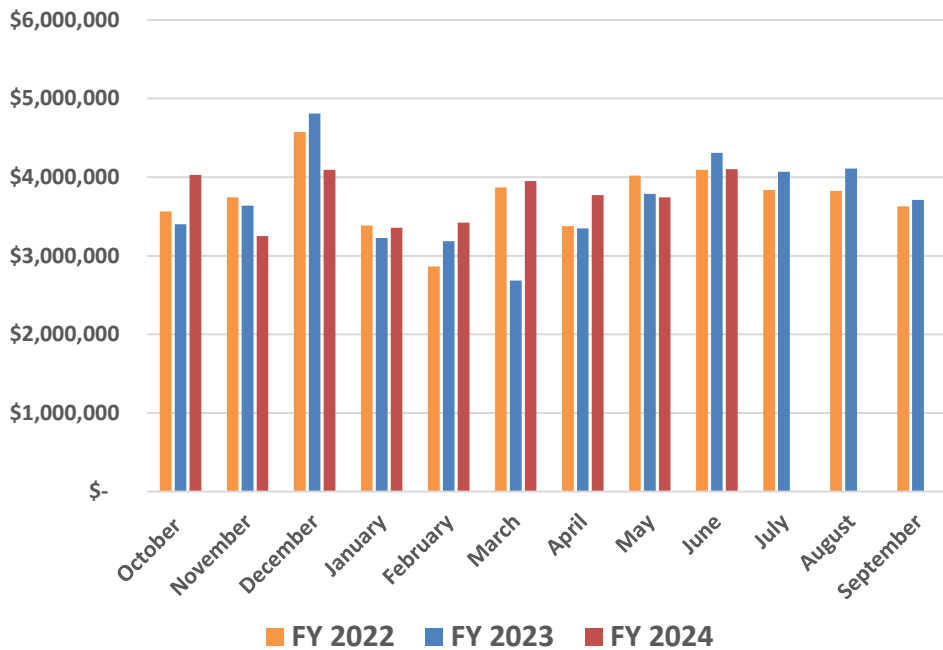
Overview

The Monthly treasurer's report provides updates on sales tax performance, projected revenue streams and projected commitments and timing of expenditures. The financial commitments of the NBEDC typically span multiple fiscal years; therefore, the report is formatted to project the financial position of the NBEDC over the next five years.

Sales Tax

Sales tax collections for the month of June decreased by 4.8%. When adjustments are removed, current to current collections decreased by 0.6%. At the time this report was completed, the industry level data was not yet available for the month of June. Through the first nine months of the fiscal year, sales taxes are still up 4.1% and remain above the FY 2024 budget projection.

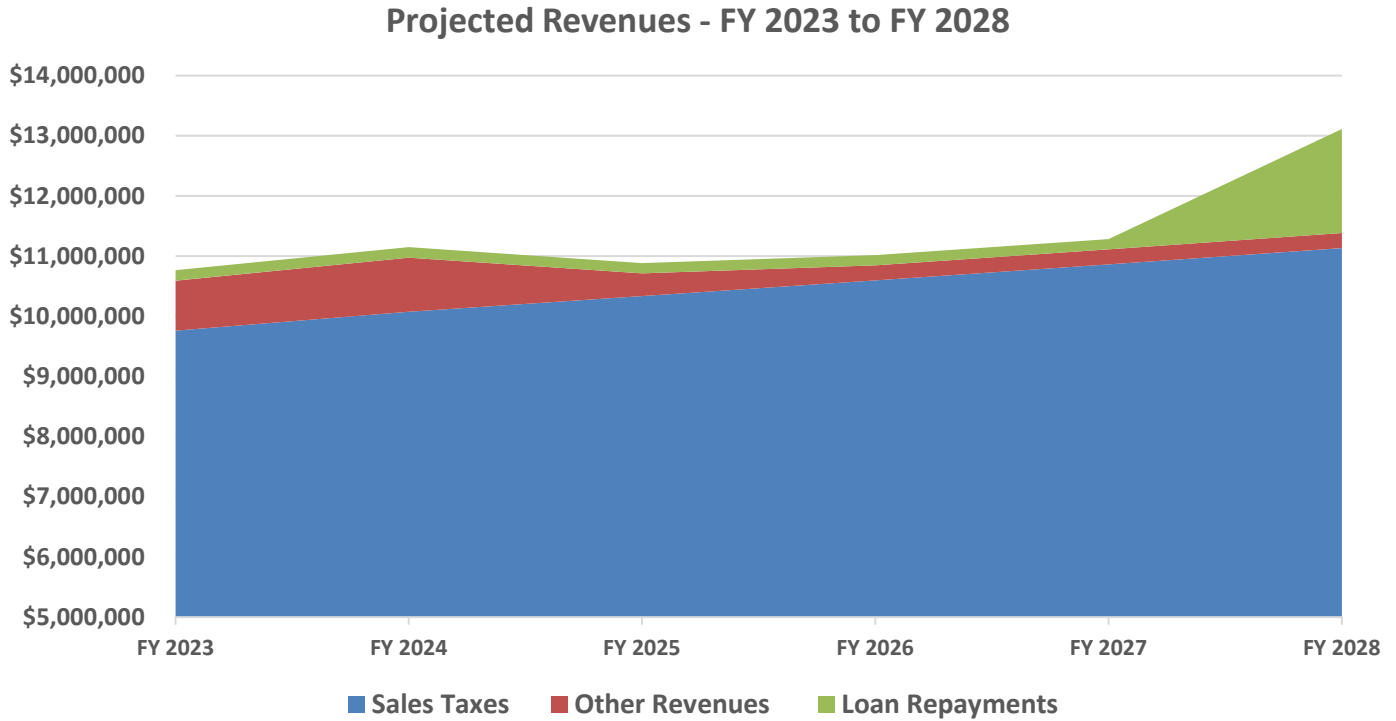
Gross Sales Tax Collections



For more information contact:

Jared Werner
 Assistant City Manager
jwerner@newbraunfels.gov
 830-221-4385

Revenues



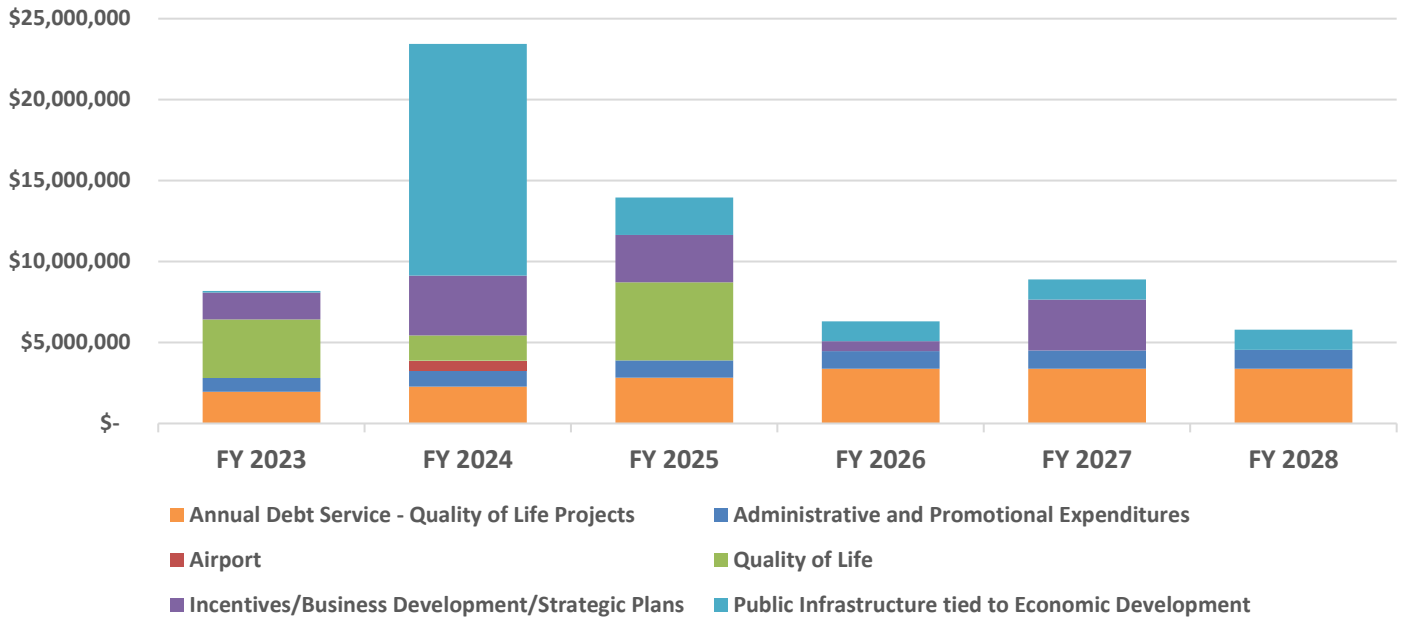
Revenue Projections	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Sales Taxes	\$9,761,673	\$10,076,626	\$10,338,355	\$10,596,814	\$10,861,734	\$11,133,278
Interest Earnings	\$831,723	\$900,000	\$375,000	\$250,000	\$250,625	\$251,252
Loan repayments/reimbursements	\$131,900	\$172,954	\$172,954	\$172,954	\$172,954	\$1,728,954
Total Revenues	\$10,766,350	\$11,149,580	\$10,886,309	\$11,019,768	\$11,285,313	\$13,113,483

Sales Taxes - the graph and table above reflect the projected sales tax collections through FY 2028. The projections assume growth of 2.5% annually.

Loan Repayments – The NBEDC began receiving loan repayments from the New Braunfels Regional Airport in FY 2022 (ten year) and ASA properties in FY 2023 (five years with a balloon payment in year six – recognized in FY 2028 above).

Total NBEDC Expenditures – Current Commitments

Current Commitment Projections - FY 2023 to FY 2028



Current Commitments	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Admin/Promotional Expenditures	\$839,996	\$1,005,386	\$1,067,548	\$1,099,574	\$1,132,561	\$1,166,538
Airport	\$0	\$600,000	\$0	\$0	\$0	\$0
Quality of Life	\$3,624,967	\$1,568,668	\$4,829,598	\$0	\$0	\$0
Incentive/Business Development/Strategic Plans	\$1,649,427	\$2,331,694	\$4,772,052	\$596,576	\$3,146,146	\$0
Public Infrastructure tied to Economic Development	\$92,223	\$14,308,083	\$2,313,328	\$1,240,000	\$1,240,000	\$1,240,000
Annual Debt Service	\$1,967,856	\$2,270,948	\$2,235,831	\$2,235,631	\$2,235,356	\$2,235,956
Projected Debt Service			\$588,654	\$1,142,162	\$1,142,162	\$1,142,162
Total Expenditures	\$8,174,469	\$22,084,779	\$15,807,010	\$6,313,943	\$8,896,225	\$5,784,656

Projections above include all current commitments of the NBEDC – including those most recently approved such as the Freholz Land acquisition and projected loan payments, acquisition costs for downtown NBU property, and citywide pedestrian improvements construction (phase 1). As a reminder, the NE Parkland acquisition and Castell Avenue phase 1 project (Coll Street Drainage) are also reflected in the “projected debt service” category.

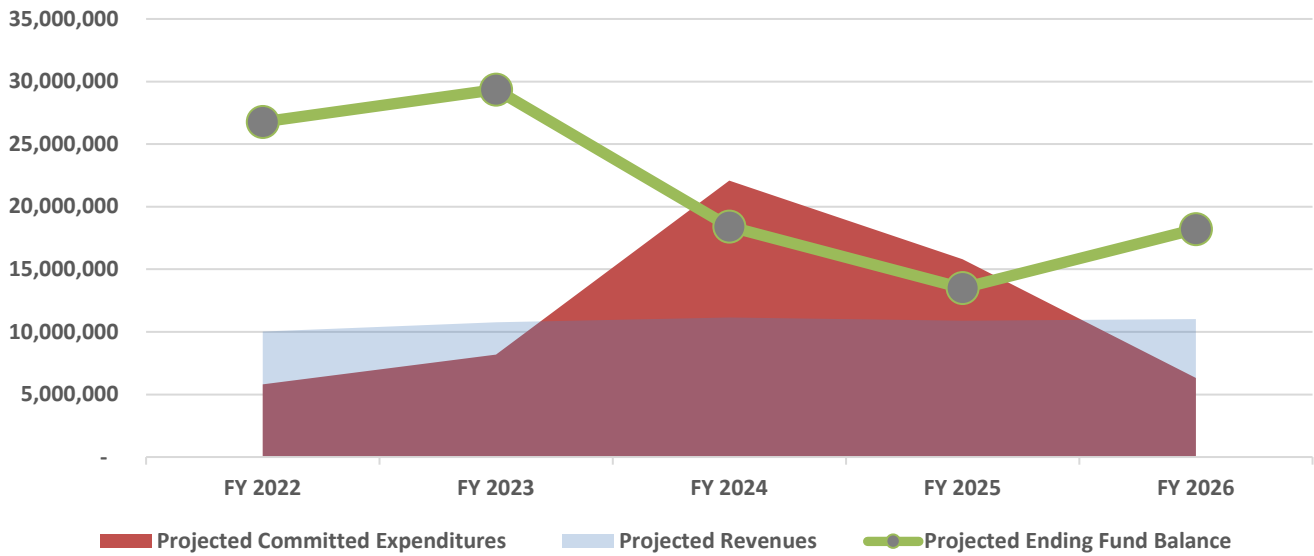
Future Commitments – Infrastructure/Quality of Life investments

Infrastructure Investment	Project Estimate	Previously Approved by NBEDC	Remaining Investment to be considered
Downtown ROW Enhancements - Phase 1	\$ 4,191,759	\$ 474,920	\$ 3,716,839
West Alligator Creek Trail	\$ 1,942,272	\$ 1,942,272	-
Kohlenberg Road Design Services	\$ 1,308,404	\$ 1,308,404	-
Citywide Pedestrian Improvements - Phase 1	\$ 1,560,007	\$ 1,560,007	-
Landa Lake Dam & Spillway	\$ 1,215,000	\$ 1,215,000	-
Comal River Improvements - Last Tuber's Exit	\$ 1,362,812	\$ 1,362,812	-
Castell Avenue Phase 1 - Coll Street Drainage Construction	\$ 7,200,000	\$ 7,200,000	-
Common Street Pedetrian Improvements	\$ 700,000	\$ 700,000	-
Feasibility & Conceptual Design - Dry Comal Creek Trail	\$ 485,584	\$ 485,584	-
Totals	\$ 19,965,838	\$ 16,248,999	\$ 3,716,839

Financial Summary – Revenues, Committed Expenditures, and projected Fund Balance (reserves)

The graph above summarizes estimated revenues, committed expenditures and changes to fund balance/Reserves (only based on current commitments).

Revenues, Expenditures and Ending Fund Balance



8/15/2024

Agenda Item No. A)

PRESENTER:

Scott McClelland, Assistant Director of Transportation and Capital Improvements

SUBJECT:

Presentation and discussion on proposed project expenditures to advance three pedestrian improvement projects

DEPARTMENT: Transportation and Capital Improvements

BACKGROUND INFORMATION:

The Transportation and Capital Improvements Department will provide a presentation on three pedestrian improvement projects requiring “next step” funding from NBEDC.

The projects are:

Alamo Area Metropolitan Planning Organization (AAMPO) Citywide Pedestrian Project

- Addressing sidewalks and pedestrian access at:
 - o Alves Lane & Brooke Avenue
 - o Christus Santa Rosa Area
 - o Hinman Island Drive - Final Design costs funded by NBEDC in Spring 2023
 - o County Line Road & FM 725
 - o Oak Run Parkway - Final Design costs funded by NBEDC in Spring 2023
- Next Step: Final Design

Citywide Pedestrian Improvements - Phase 2

- Addressing sidewalks and pedestrian access at:
 - o Lincoln Street and Garden Street (Union Ave to Seguin Ave)
- Next Step: Final Design

Dry Comal Creek Trail - Segment 1

- Pedestrian and bicycle improvements:
 - o Along the Dry Comal Creek between Walnut Ave and Landa Street
- Construction is expected to begin in 2025
- Final Design costs funded by NBEDC June 2021
- AAMPO construction funding requires a 20% project match from the City
- Next Step: Construction

Projects will be presented for potential action and public hearings as the project contracts are finalized. If approved, the items will move to City Council for consideration.

ISSUE:

Three pedestrian improvement projects will require NBEDC “next step” funding. The total costs of the requested funds will be provided in the presentation.

STRATEGIC PLAN REFERENCE:

Economic Mobility Enhanced Connectivity Community Identity
Organizational Excellence Community Well-Being N/A

8/15/2024

Agenda Item No. B)

PRESENTER:

Scott McClelland, Assistant Director of Transportation and Capital Improvements

SUBJECT:

Presentation and update on the Last Tuber's Exit project

DEPARTMENT: Transportation and Capital Improvements

BACKGROUND INFORMATION:

The New Braunfels Economic Development Corporation (NBEDC) has worked to develop a list of capital projects to support - through engineering and design and/or construction funding - since the summer of 2022. The NBEDC voted unanimously to approve funding the final design of the Last Tuber's Exit project at its January 19, 2023 meeting with Freese and Nichols, Inc (FNI). The final design completed by FNI includes the construction design drawings and an opinion of probable cost for construction.

The proposed improvements to Last Tuber's Exit will help reduce staff intervention, reduce the backup of tubers at the lower landing area and stairs, and improve the safety for staff and park users. The construction of these improvements would replace the underwater stairs with additional steps and a 12' wide underwater landing. Handrails will be replaced, an ADA transfer system will be included, and marker buoys will be added to delineate the underwater landing.

The NBEDC received a presentation on the construction of these improvements at its March 21, 2024 regular meeting. The cost to complete construction of the proposed improvements and for other construction phase expenses is \$1,200,000. The NBEDC held a public hearing on April 18, 2024 and unanimously approved the construction funding. The New Braunfels City Council approved the construction funding at its May 13, 2024 meeting.

This presentation will provide an update on the project.

STRATEGIC PLAN REFERENCE:

- Economic Mobility Enhanced Connectivity Community Identity
 Organizational Excellence Community Well-Being N/A

8/15/2024

Agenda Item No. C)

PRESENTER:

Jeff Jewell, Economic and Community Development Director

SUBJECT:

Presentation and discussion on a proposed economic development incentive to 210 S. Castell, LLC for the Co-Op Marketplace project

DEPARTMENT: Economic and Community Development**COUNCIL DISTRICTS IMPACTED:** 5**BACKGROUND INFORMATION:**

In 1945, 210 S. Castell Avenue, a 2.460-acre plot, was conveyed to the Producer's Cooperative Marketing Association. The site was used as the Producer's Co-Op Feed and Supply from November 1945 until the property was sold in 2021 to 210 S. Castell, LLC. The new owners intend to rehabilitate and convert the approximate 29,000 square feet into a destination public marketplace that blends retail and food concepts and provides a public and civic gathering space. The plan includes renovations of existing buildings to house a public market and specialty grocery spaces and includes public amenities that include a grand lawn, performance plaza, and public restrooms. The space will provide an opportunity to relocate and expand the existing downtown Farmer's Market. The proposed incentive of up to \$4.5 million is provided mostly in support of the cost of the public amenities and associated improvements.

The project intends to create opportunities for small businesses to operate and grow and will act like an incubator by providing leased spaces with low overhead/risk. The developers plan to accommodate 20-30 retail/food businesses in 12,900 square feet Marketplace building which will provide an expanded venue for the New Braunfels Farmer's Market. Additionally, the project contains a large entry plaza, splash pad, and grand lawn to be used as an open gathering space. Envision New Braunfels, the 2010 Downtown Implementation Plan, and the 2021 Downtown Action Plan have all indicated the need for increased public, open, and gathering spaces.

Public markets are unique places of commerce and energy in a community. They can encourage economic and community development by providing low-risk opportunities for vendors and local businesses to market and sell their products in an incubator-like environment. Public markets, even if they only operate one day a week, act as an anchor for local businesses, encourage spin-off development, and keep dollars in the local economy. The increased activity from the market will support further retail growth along South Castell Avenue and in downtown generally. A survey by the Project for Public Spaces of over 800 public market customers found that 60% of market shoppers also visited nearby stores on the same day. Of those 60%, more than half said that they visited those additional stores only on days that they visited the market. While serving and buttressing locally owned and operated businesses, public markets can also serve public goals.

These markets can serve as focal spaces for the community and civic events by providing active public space and a unique destination for New Braunfels residents to enjoy. The proposed project includes a substantial amount of activated space adjacent to the market that can be used by the public. The extent of the improvements will create a park like setting in the downtown area. This type of space has been identified as a

desired improvements in multiple plans and public forums. The open space, planned splashpad, public restrooms, lighting, benches, trees and improved pedestrian connectivity will upgrade the downtown experience for all users.

ISSUE:

The total cost of the project is estimated at \$19.34 million but is not financially feasible as designed. The development is projecting aggressive rents, reasonable vacancies and reasonable expenses. The project’s economics only justify a private sector investment of approximately \$15 million. As such, the project has an approximate \$4 million funding shortfall or financing “gap.” With a gap of this nature, there are only two options: decrease development costs or increase the potential revenue from the site. Without an incentive, the planned public space and amenities would likely be cut in favor of including parking around the site, which is a more financially beneficial opportunity for the owners. The owners also have the opportunity to clear the site of all existing improvements, seek any associated rezonings needed and construct a new series of buildings or structures.

STRATEGIC PLAN REFERENCE:

- Economic Mobility
- Enhanced Connectivity
- Community Identity
- Organizational Excellence
- Community Well-Being
- N/A

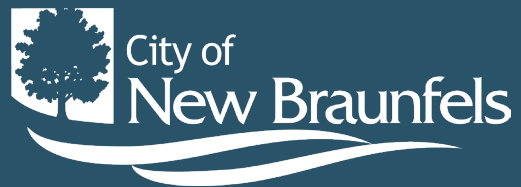
FISCAL IMPACT:

The proposed incentive of \$4.5 million is proposed to be delivered over a 10-year period. The proposed terms would reimburse \$2 million to the owner after the improvements are constructed and provide an grant payment of \$250,000 for 10 years as long as the market continues to operate. This incentive provides a stabilized cash on cash return to the owner of approximately 7% and an unlevered Internal Rate of Return in year 10 of approximately 7.5%

RECOMMENDATION:

NBEDC to provide staff the direction to move forward with next steps.

Producer's Co- Op and Marketplace Redevelopment

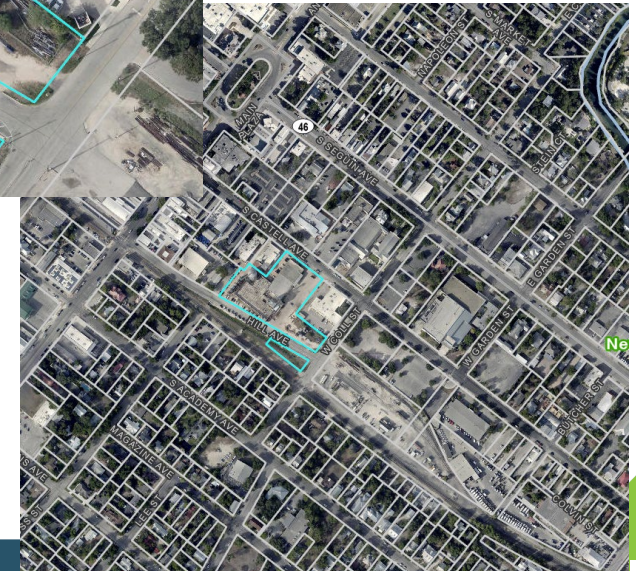
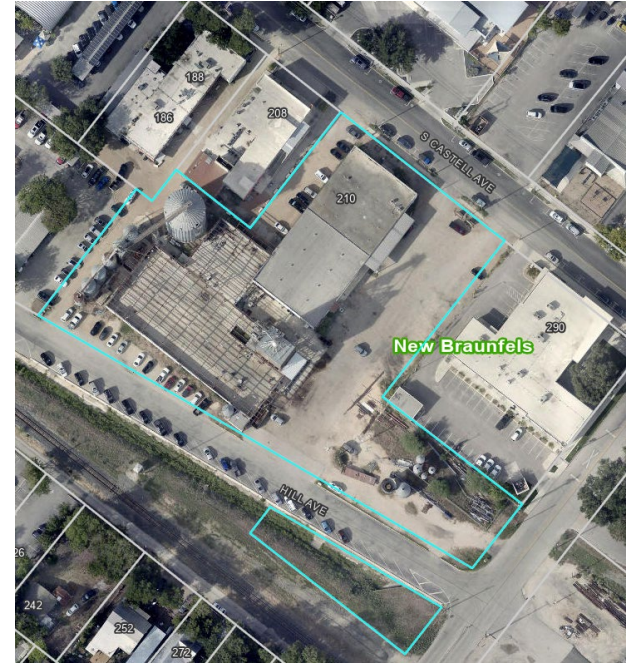


Farmer's Co-Op into a Public Marketplace

History of 210 South Castell Ave.

- 2.460 acres
- Portions conveyed to Producer's Cooperative Marketing Association around 1945
- Producer's Co-op Feed and Supply from November 1944 until sold in 2021 to 210 S. Castell, LLC

Development plan to convert the space (~29,400 SF) into a destination marketplace with retail and food concepts



Site Plan – Phases 1 and 2



- ▲ Areas 1-3 – civic/public space- has been identified in numerous plans/studies
- ▲ Building 15 is designated as the “public market”
- ▲ Small, scale, low-overhead lease spaces for operators to bridge and stabilize

Project Concepts



Project Concepts



Development Budget – Phases 1 and 2

TPC: \$19.34M

- Phases allocate acquisition and pre-development costs by SF
- Complete phases 1 and 2 together
- Phase 1 budget is derived from hard bids
- Phase 2 is estimated at this stage

Units:	Sq. Ft.	
Building A	6,175	
Food Trucks	-	
Mill Tower Bar	2,040	
Building B	6,265	
Building B-1	2,000	
Phase I Total:	<u>16,480</u>	56.1%
Building C	12,900	
Phase II Total:	<u>12,900</u>	43.9%
Project Total:	29,380	100%

Pre-Construction Investment Allocation		
Phase I Allocation (56.1%)	\$2,804,629	
Phase II Allocation (43.9%)	<u>\$2,195,371</u>	
Co-Op Investment To Date:	\$5,000,000	

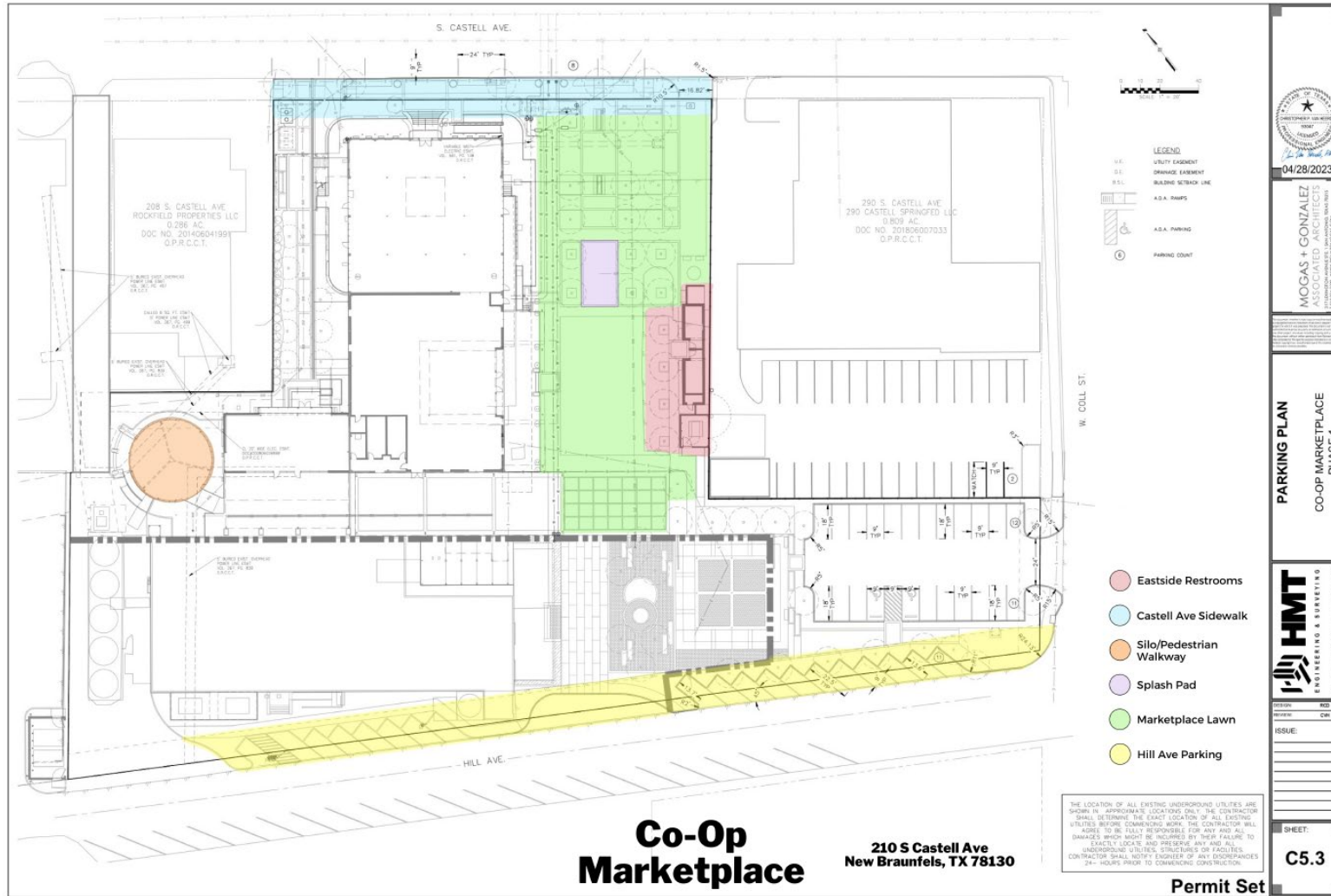
Construction Budget Phase I		
Hard Costs (Shell):	\$8,654,000	
Permit:	\$12,000	
Water Meter/Utility Impact Fees:	\$142,756	
Constion Mgmt/Procurment:	\$115,623	
Misc. (Soft Costs, Inspections, Etc.)	<u>\$50,000</u>	
Sub-Total	\$8,974,379	
Construction Contingency (10.0%)	<u>\$897,438</u>	
Total Budget	\$9,871,817	

Phase I Investment		
Pre-Construction Investment (56.1%)	\$2,804,629	\$170
Hard Construction ("Building")	<u>\$9,871,817</u>	<u>\$599</u>
Phase I Land & Building Investment:	\$12,676,446	\$769

Phase II Investment		
Pre-Construction Investment (43.9%)	\$2,195,371	\$170
Hard Construction ("Building")	<u>\$3,225,000</u>	<u>\$250</u>
Phase I Land & Building Investment:	\$5,420,371	\$420

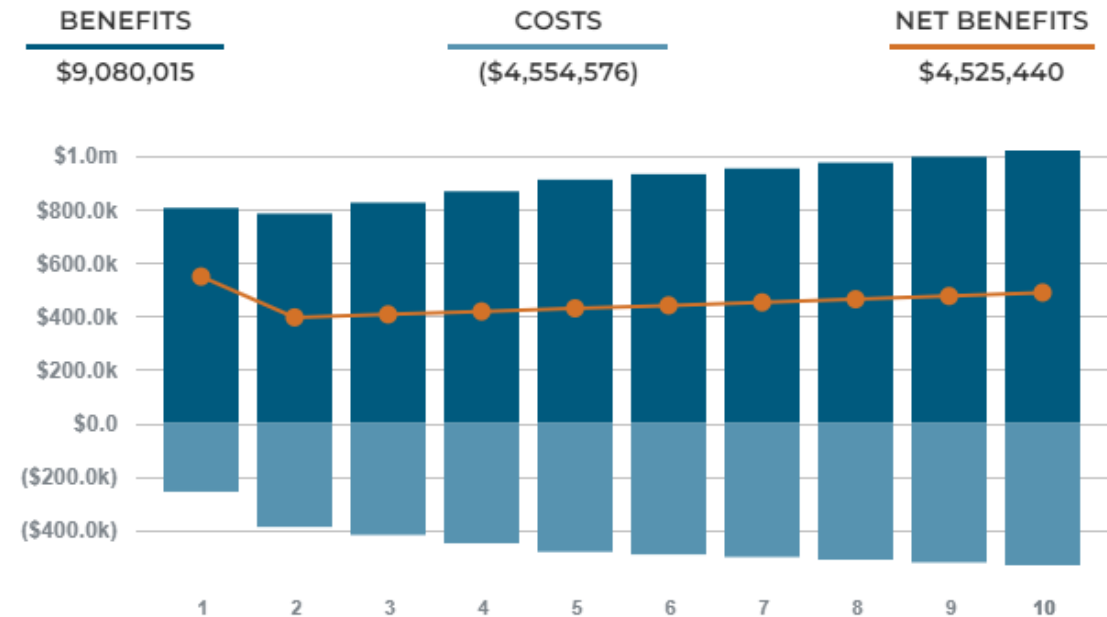
Project Investment		
Phase I	\$12,676,446	
Phase II	<u>\$5,420,371</u>	
Total:	\$18,096,817	\$616
Construction Interest	\$0	
Year 1 Tis and LC	<u>\$1,248,385</u>	
Project Cost	\$19,345,202	\$658

Analysis



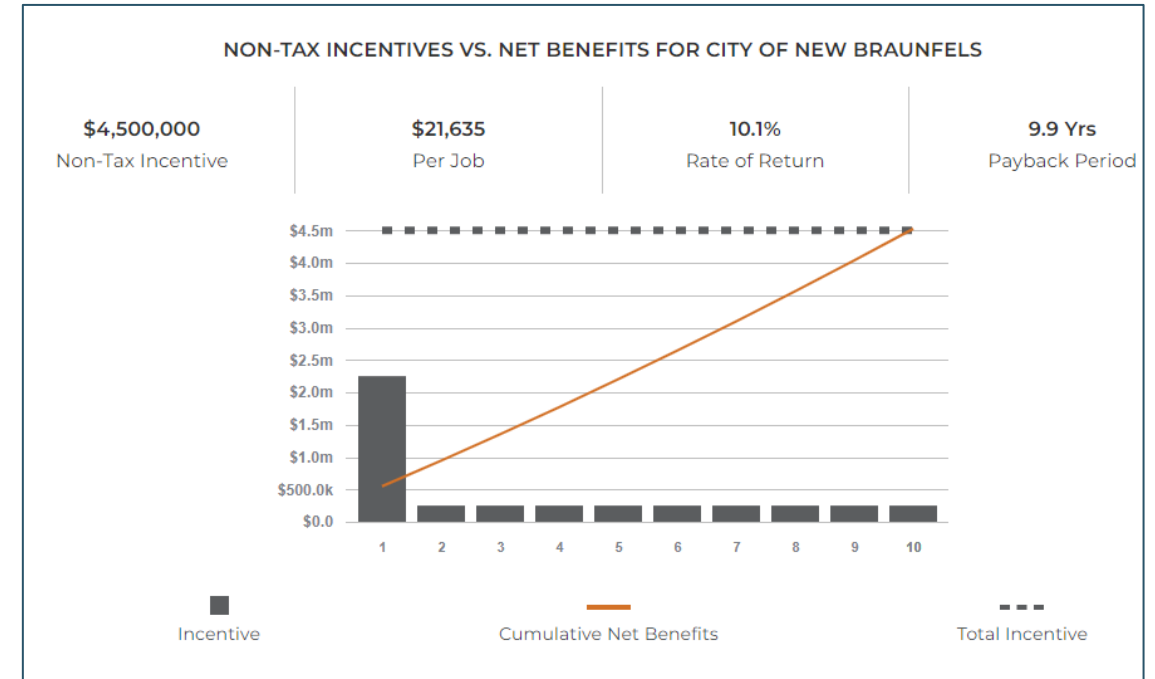
Return Estimates: Private and Public

- ▲ Cost of \$12.7M in Phase 1
- ▲ Cost of \$5.24M in Phase 2 (public market)
- ▲ Project without public/green space performs financially better and is easiest path



- ▲ If the public space improvements are desired, there will need to be a subsidy
- ▲ Project is not financially feasible as designed
 - Project is projecting aggressive rents, reasonable vacancies and reasonable expenses
 - Project is upside down – development costs relative to value
- ▲ **Entrepreneurship** - Project is creating space for nascent small businesses to operate and grow their businesses – “incubator like”
 - 20-30 retail/food businesses will have a leased space with lower overhead/risk
- ▲ **Public space/park** - Direct and secondary impacts
 - Project is adding taxable increment to the downtown TIRZ
 - Cumulative TIRZ revenue of \$500k over 10 years
- ▲ Significant sales tax producer with anticipated product mixes and types

- ▲ Cumulatively, all the benefits can justify supporting the project
- ▲ Major benefits in sales tax and expected secondary benefits

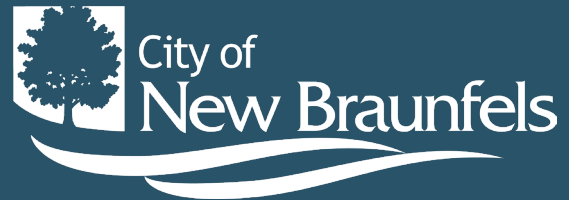


Proposed Incentive

- ▲ \$3.5M+ spent on public amenities and space
- ▲ \$4.5M over a 10 year period
- ▲ \$2 million reimbursed upon completion of the public improvements (green space, restrooms, etc.)
- ▲ Annual \$250,000 payment for 10 years
 - Operate and run the market as represented
- ▲ Dedicated space/conference room for use by SPARK for mission-advancing activities
- ▲ Annual reporting on tenant employment and sales to understand impacts

		Total Revenue	To TIRZ	Cumulative TIRZ Revenue	Cumulative Benefit	EDC Sales Tax
Year	Year					
2026	1	\$ 345,188	\$ 33,629	\$ 33,629	\$ 345,188	\$ 76,406
2030	5	\$ 387,493	\$ 47,099	\$ 213,951	\$ 1,831,955	\$ 83,021
2035	10	\$ 447,465	\$ 54,600	\$ 471,506	\$ 3,946,013	\$ 95,807
2040	15	\$ 516,393	\$ 63,297	\$ 770,082	\$ 6,386,270	\$ 110,481
2045	20	\$ 595,701	\$ 73,378	\$ 1,116,215	\$ 9,201,693	\$ 127,343
2050	25	\$ 687,044	\$ 85,065	\$ 1,517,476	\$ 12,449,050	\$ 146,742
	Total			\$ 1,517,476	\$ 12,449,050	\$ 2,665,946
		Present Value of Cumulative Benefits				
		10 YR PV	2,936,204			
		20 YR PV	6,846,924			

Questions?



8/15/2024

Agenda Item No. D)

PRESENTER:

Jeff Jewell, Economic and Community Development Director

SUBJECT:

Presentation, discussion, and possible action approving a proposed administrative support and professional services contract for FY25 with the City of New Braunfels

DEPARTMENT: Economic and Community Development

BACKGROUND INFORMATION:

The New Braunfels Economic Development Corporation (NBEDC) maintains an annual contract with the City of New Braunfels for administrative support and professional services in support of the NBEDC's mission and business. Specifically, the contract requires the City to perform administrative and professional service tasks such as contract development and management, pay applications, company and incentive auditing services, fiscal impact analysis, financial auditing, board-directed and required reporting and record keeping. The contract also requires the city to provide for all legal services and facilities needed by the corporation in the normal course of its business. Additionally, the city manages feasibility, engineering, design and construction activities for all NBEDC-initiated projects. Currently, approximately \$11.4 million in approved projects are in some phase of design and construction plan development.

The following modifications are proposed for the FY25 contract:

- \$25,000 increase: earmarked to address operating and property management costs for NBEDC-owned properties
- \$25,000 increase: earmarked for costs associated with additional planning and feasibility studies for future NBEDC-affiliated projects. This will provide some level of pre-approved funding for initiatives not specifically identified but that staff can undertake at the direction of the NBEDC as approved in the services agreement and adopted with the budget.

This \$50,000 increase will be recognized as budget line increases to maintenance services and professional services in the Economic and Community Development Department's 2024-2025 budget. Staff provided an initial presentation on this contract at the July 18, 2024 NBEDC regular meeting. If approved at this meeting, it will be incorporated into the City's overall budget approval process.

Last year, the City presented a contract expansion that fully funded an Assistant Project Manager (APM) in the City's Transportation and Capital Improvements (TCI) department and the marginal cost of moving the ECD's administrative assistant to full-time. These two position additions increased the amount of the contract by \$115,413. The TCI department is staffed to manage the design and construction of projects within the City's existing bond programs (2019 and 2023). The NBEDC's investment in strategic capital projects first discussed in 2022 and approved for design and construction funding throughout 2023 and 2024 increased the department's annual workload. The addition of an APM to TCI was presented to absorb the increased workload the department assumed given the expanded capital investments it was managing on behalf of the NBEDC. The addition of the Administrative Assistant to full-time reflected the expanded efforts of the Economic and Community Development department's administration of the corporation's business.

In FY 2022, there was a \$122,500 increase to the contract to reflect the City’s cost for a housing and community development consultant and the additional costs to the City for an expanded work and increased staff demands.

ISSUE:

The City is proposing the FY25 contract be increased by \$50,000 to provide funding for maintenance and property management costs of NBEDC-owned properties, and support planning and feasibility studies for future projects if directed by the NBEDC. The proposed FY25 contract with the City of New Braunfels is proposed to be a total amount of \$455,386.

STRATEGIC PLAN REFERENCE:

- Economic Mobility Enhanced Connectivity Community Identity
- Organizational Excellence Community Well-Being N/A

FISCAL IMPACT:

Up to \$455,386; the NBEDC has funding available for this administrative support and professional services contract. The administrative and professional services agreement amount is divided into the following expenditure categories:

Item	Amount
General Fund Contribution (Staff - ECD, Legal, City Management, Finance, IT, TCI, consultant costs, facilities, security, materials, etc.)	\$405,386
Property Maintenance Costs	\$25,000
Feasibility/due diligence/other initiatives as directed by NBEDC	\$25,000

RECOMMENDATION:

N/A

CONTRACT BETWEEN THE NEW BRAUNFELS ECONOMIC DEVELOPMENT CORPORATION AND THE CITY OF NEW BRAUNFELS, TEXAS

THE STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF COMAL §

THIS CONTRACTUAL AGREEMENT (the "Agreement") is made and entered into by and between the New Braunfels Economic Development Corporation, a Non-Profit Corporation of the State of Texas, hereinafter called "EDC", acting by and through its duly authorized officers, and the City of New Braunfels, Texas, a Texas municipal corporation, hereinafter called "CITY," acting by and through its officers:

W I T N E S S E T H:

WHEREAS, Texas Local Government Code §501.054 provides the EDC with the powers of non-profit corporations incorporated under the Texas Non-Profit Corporation Act, as amended, and Section Seven of the Bylaws of the EDC allows for the President and Secretary of the EDC to execute any contract which the Board has approved and authorized to be executed; and

WHEREAS, §501.007 allows the EDC to reimburse the City for all expenses incurred in providing the EDC with administrative, financial, and legal services; and

WHEREAS, upon the recommendation and approval by the Board on August ~~3~~ , ~~2023~~2024, and the City Council on August ~~14, 2023~~ , 2024, the EDC agreed to pay to the City \$~~405455~~,386 annually for administrative support and professional and asset management services.

I.

All funds received by CITY from EDC as herein provided shall be expended solely for the purposes stated herein and in accordance with the following terms:

The EDC shall pay a total of \$~~405~~455,386 to the City on a monthly pro rata basis.

II.

Administrative, ~~and~~ professional and asset management services the CITY shall perform for the EDC include:

- (1) Preparing and filing all reports required by the Texas Non-Profit Corporation Act, the Texas Non-Profit Corporation Law (Business Organizations Code, §1.008), the Development Corporation Act;
- (2) Keeping all books and records required by the EDC's Bylaws;
- (3) Providing necessary staff to perform miscellaneous administrative services including preparation of forms, applications, public notices for projects, agendas, agenda reports, resolutions, and other necessary documents;
- (4) Preparing and timely processing of EDC's project applications, approval action by the Board and the City Council, execution of agreements;
- (5) Regularly attending Board meetings and making occasional Board or City Council presentations, as needed;
- (6) Negotiating and drafting project term sheets and performance agreements;
- (7) Preparing and presenting a budget for the EDC for the forthcoming year for review and approval by the Board and City Council;
- (8) Providing all necessary budgeting, auditing, accounting, analysis, professional support services and financial management, through the City Manager's Office, Economic and Community Development, and Finance Departments which may include consultants hired as necessary to complete EDC related tasks;
- (9) Auditing services by Finance Department and City Manager's Office to ensure contract compliance;
- (10) Providing for legal services through the City Attorney's Office, including outside legal consultants, to assist city staff in negotiating and drafting performance agreements, and provide legal guidance and opinions; and

(11) Providing facilities for repository of records, office and conference space for meetings which includes a proportional charge for electricity, water, sewer, gas, heating and air conditioning, telephone, internet service, repair and maintenance for such facilities; and

~~(12)~~ Preparing and completing appropriate feasibility studies, preliminary designs, and other professional services as necessary to advance the goals, strategies and actions as outlined in the Economic Development Strategic Plan, Envision New Braunfels, Downtown Implementation Plan, Workforce Housing Study and other relevant plans and documents as determined and directed by the EDC; and

~~(12)~~~~(13)~~ Up to \$25,000 annually shall be provided for the maintenance of EDC-owned assets to include real property. Such funds shall be used for services to maintain them in good and acceptable condition; and

~~(13)~~~~(14)~~ Consulting services rendered by an appropriate economic and community development organization as determined appropriate and necessary by the City to assist with the completion of the administrative and professional services outlined herein; and

~~(14)~~~~(15)~~ Providing for a City employee to facilitate, manage, and regularly update the Board and the City Council on EDC-funded projects.

III.

This agreement shall be renewed annually with the approval of the City's annual budget unless specific action is taken by the EDC and the City to change the terms of this agreement.

IV.

In the performance of this contract, CITY shall not discriminate against any tenant or customer because of his/her race, color, religion, national origin, sex, disability or ancestry. Breach of this covenant may be regarded as a material breach of the contract

causing its termination.

V.

It is expressed and understood and agreed by both parties hereto that each acts independently of each other, and neither has the authority to bind the other or to hold out to a third party that it is the authority for the other. The parties hereto understand and agree that the City shall not be liable for any claims, which may be asserted by any third party occurring in connection with the performance of the EDC.

VI.

Nothing contained herein shall be deemed or construed by the parties hereto or by any third party as creating the relationship of employer-employee, principal agent, joint ventures or any other similar such relationships, between the parties hereto.

VII.

All communications between EDC and CITY shall be addressed to the President of the New Braunfels Economic Development Corporation, c/o City of New Braunfels, 550 Landa Street, New Braunfels, Texas 78130. Any communication to the CITY shall be addressed to the City Manager, 550 Landa Street, New Braunfels, Texas 78130.

VIII.

It is understood and agreed that in the event any provision of this contract is inconsistent with requirements of law, the requirements of law will control and the parties shall revert to their respective positions, which would otherwise be enjoyed or occupied by the respective parties for the terms of this contract.

IX.

The foregoing instrument in writing between the parties herein, constitutes the entire agreement between the parties relative to the funds made the basis hereof, and any other written or oral agreement with the EDC being expressly waived by CITY.

IN WITNESS WHEREOF, the parties hereto execute this agreement in duplicate originals on this ____ day of _____, ~~2023~~2024.

NEW BRAUNFELS ECONOMIC DEVELOPMENT CORPORATION

By: _____
Kathy Meurin, *President*

Date: _____

_____, *Corporate Secretary*

Date: _____

CITY OF NEW BRAUNFELS

By: _____
Robert Camareno, *City Manager*

Date: _____

ATTEST:

Gayle Wilkinson, *City Secretary*

APPROVED AS TO FORM:

Valeria Acevedo, *City Attorney*

Economic Development Corporation Agenda Item Report

8/15/2024

Agenda Item No. A)

SUBJECT:

Deliberate issues regarding economic development negotiations in accordance with Section 551.087 of the Texas Government Code:

1. Project Shoot
2. Project Texas
3. Project Madeline
4. Project Pine Tree
5. Project Tech
6. Project Fiber Source
7. Project Nemo
8. Project Icon



Economic Development Corporation Agenda Item Report

550 Landa Street
New Braunfels, TX

8/15/2024

Agenda Item No. B)

SUBJECT:

Deliberate and consider the purchase, exchange, lease, contract terms, due diligence, or value of real property, in accordance with Section 551.072 of the Texas Government Code:

1. A-1 SUR-1 AM Esnaurizar, up to 100 acres

Economic Development Corporation Agenda Item Report

8/15/2024

Agenda Item No. C)

SUBJECT:

Deliberate pending/contemplated litigation, settlement offer(s), and matters concerning privileged and unprivileged client information deemed confidential by Rule 1.05 of the Texas Disciplinary Rules of Professional Conduct in accordance with Section 551.071, of the Texas Government Code, specifically:

1. A-1 SUR-1 AM Esnaurizar, up to 100 acres