

New Braunfels Tax Increment Reinvestment Zone #4
Preliminary Project & Financing Plan

City of New Braunfels, Texas
September 15, 2025



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Section 1 – Project Plan

Overview

The City of New Braunfels, Texas is considering implementing a tax increment reinvestment zone (TIRZ) to fund a portion of the infrastructure and development costs associated property near the Zipp Family Sports Park. In addition, the City would like to encourage new commercial activity in south New Braunfels. The proposed new zone would be named TIRZ #4 – Zipp Park TIRZ (TIRZ #4).

This document is designed to meet the legal requirements of designating a TIRZ. The statutes governing tax increment financing are in Chapter 311 of the State of Texas Tax Code. This preliminary feasibility study and project plan is required by state law.

Existing Tax Increment Financing Districts in the City of New Braunfels

There are three existing TIRZ in New Braunfels. According to state law, cities with more than 100,000 residents may not create a new TIRZ if the total appraised value of taxable real property in the proposed reinvestment zone and in the existing reinvestment zones would exceed 25.0 percent of the total appraised value of taxable real property within the city and its industrial districts. In addition, a TIRZ may not be created if more than 30.0 percent of the property in the proposed new TIRZ (excluding publicly-owned property) is used for residential purposes at the time of designation. The proposed TIRZ #4 complies with these state rules.

Table 1: Existing New Braunfels TIRZ (2025)

Land Use	Taxable Value
TIRZ #1 - Creekside	\$755,420,464
TIRZ #2 - River Mill	\$30,403,695
TIRZ #3 - Downtown	\$177,912,825
Total TIRZ	\$963,736,984
City of New Braunfels	\$15,769,960,560
TIRZ as % of Total	6.1%

Source: Comal Appraisal District; City of New Braunfels; TXP, Inc.

Description of the Tax Increment Reinvestment Zone #4

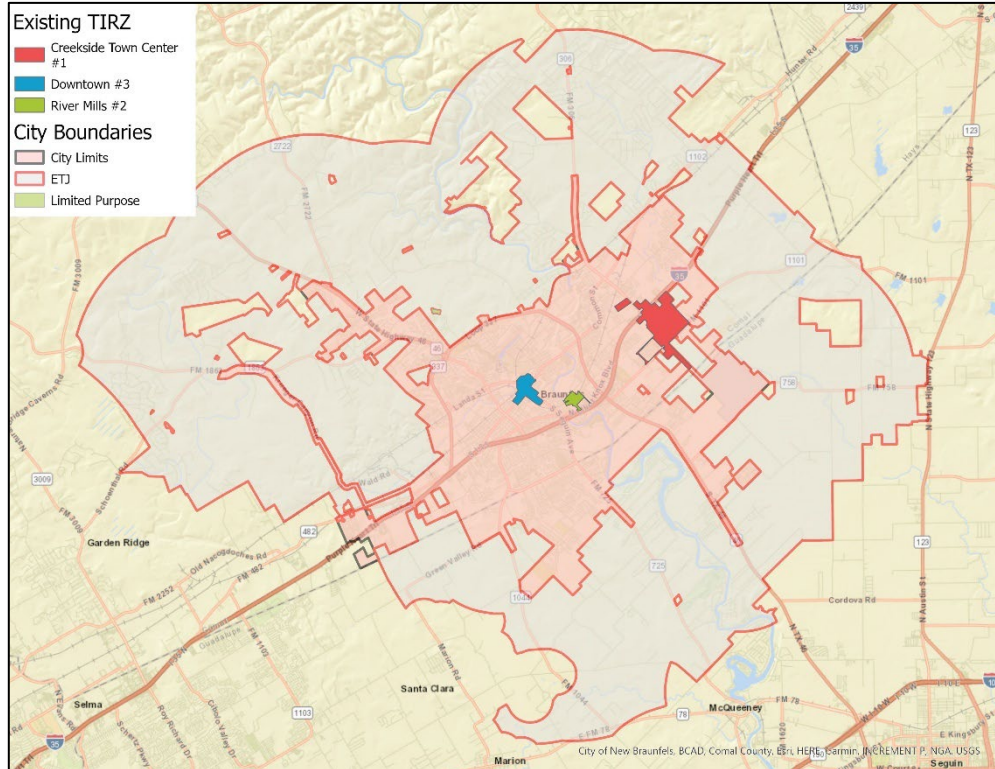
The proposed TIRZ #4 will cover approximately 195.9 acres (including roads and right of way). The 2025 baseline taxable property value of the proposed TIRZ is approximately \$1,050,000. See the appendix for the list of properties within the TIRZ.

Table 2: Existing Land Use of Proposed TIRZ #4 (2025)

Land Use	Parcel Count	Acreage	Taxable Value
City of New Braunfels	3	146.7	\$0
Commercial/Multi-family	1	7.5	\$1,050,000
Roads & Right of Way	N.A.	41.7	\$0
Total	4	195.9	\$1,050,000

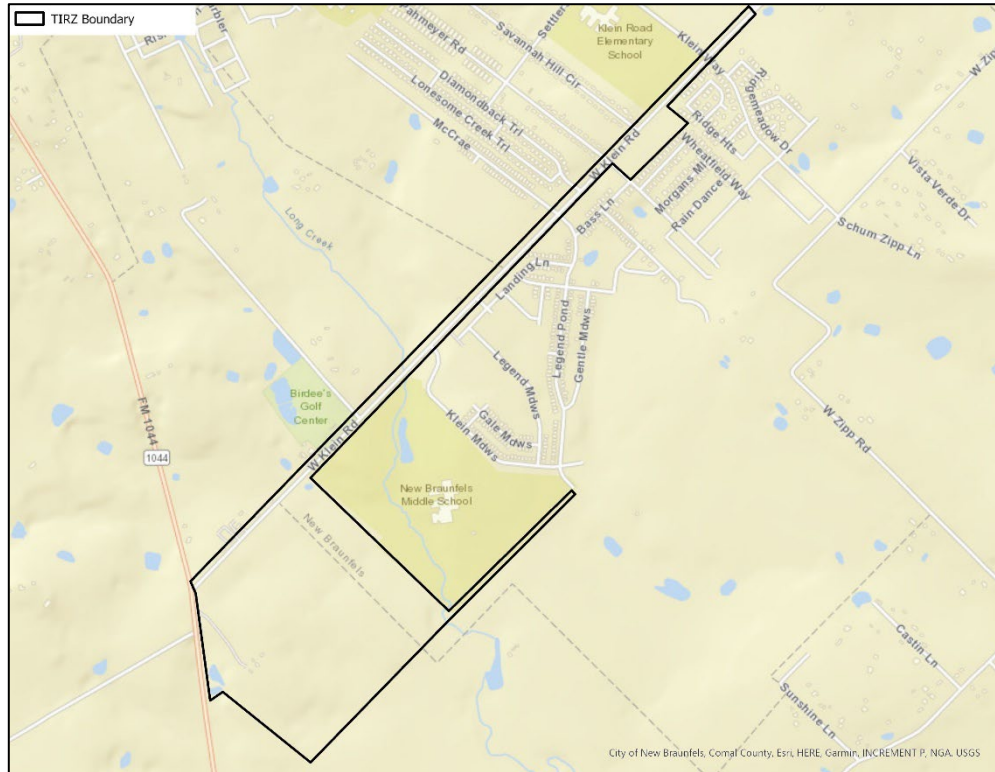
Source: Guadalupe Appraisal District; TXP, Inc.

Figure 1: Existing New Braunfels TIRZ



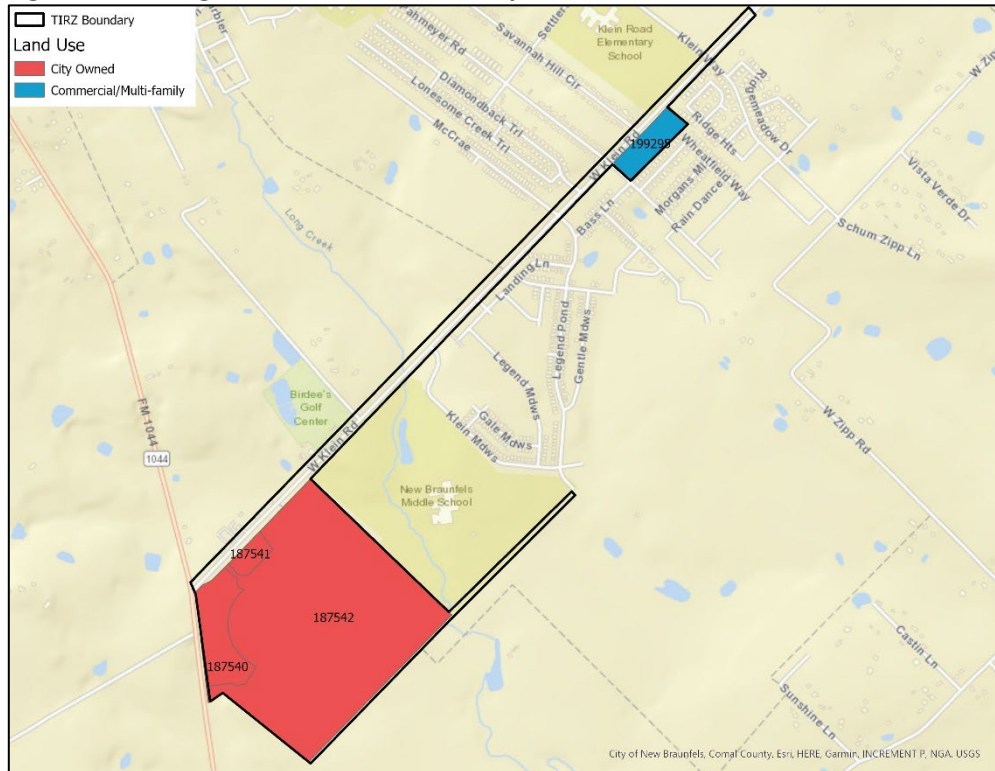
Source: TXP, Inc.

Figure 2: Proposed TIRZ #4 Geographic Boundary



Source: TXP, Inc.

Figure 3: Existing Land Use within the Proposed TIRZ #4



Source: Guadalupe Appraisal District; TXP, Inc.

Properties within the TIRZ

The parcels identified in the appendix and the boundary map (Figure 3) provide sufficient detail to identify with ordinary and reasonable certainty the territory included in the zone.

Existing Zoning and Land Use Guidelines Applicable to TIRZ #4

Existing New Braunfels land use, zoning guidelines, and policies would apply to all properties.

Taxing Jurisdictions Applicable to TIRZ

The proposed TIRZ #4 is located within the following taxing jurisdictions:

- City of New Braunfels
- Guadalupe County
- Guadalupe County Lateral Road
- Marion Independent School District
- New Braunfels Independent School District

Proposed Changes in Master Plans, Zoning Ordinances, and Building Codes

There are no anticipated changes to the master development and zoning ordinances.

Relocation of Displaced Persons

This plan currently does not call for nor anticipate the displacement and relocation of persons for the proposed projects.

Section 2 – Project Plan Improvements

TIRZ #4 will provide support for catalytic infrastructure and economic development projects that will facilitate the development of properties within this area of south New Braunfels. Due to its size, location, drainage issues, and physical characteristics, new private sector development and redevelopment in TIRZ #4 will not likely occur solely through private investment. Proposed public improvements would likely include new and refurbished utilities, streets and drainage, streetscapes, open spaces, and parking facilities.

Eligible Project Costs

The following categories generally describe what might be included in the final project and finance plan:

1. Parks & Streetscape Enhancements

This category includes gateway features, linear parks, corridor landscaping, public plazas, etc. Sports facilities and complexes would be included in this category.

2. Public Infrastructure Improvements

This category includes water, sanitary sewer and storm water improvements, roadway and street intersection enhancements, parking, public transportation, relocation of aboveground utilities, public sidewalks, public buildings, etc.

3. Economic Development Grants

It is anticipated that economic development loans or grants might be made to assist in creating the tax base that facilitates implementing the project plan. The City, with advisement from the TIRZ Board shall have the authority to establish and administer economic development programs, including but not limited to grants and loans, authorized under Chapter 380 of the Texas Local Government Code. Should such loans or grants be made, it will be done with the intent to fulfill the public purposes of developing and diversifying the economy, eliminating unemployment or underemployment, and developing or expanding transportation, business, and commercial activity in the TIRZ.

4. Non-Project Costs

The private sector will develop and redevelop properties within the TIRZ. Non-project costs are those project costs that will be funded by others (ex. private developer) and are necessary for the development of the TIRZ. The TIRZ will not fund non-project costs.

5. Administration & Implementation

Administration costs, including reasonable charges for time spent by City of New Braunfels employees, will be eligible for reimbursement as project costs.

Section 3 – Financing Plan

Tax increment financing is a tool used by local governments to publicly finance needed infrastructure and other improvements within a defined area. These improvements are usually undertaken to promote the viability of existing businesses and to attract new commercial enterprises to the area. The statutes governing tax increment financing are located in Chapter 311 of the State of Texas Tax Code.

The costs of improvements in the defined zone are repaid by the contribution of future property tax revenues by each taxing unit that levies taxes against the property. Specifically, each taxing unit can choose to dedicate all, a portion, or none of the tax revenue that is attributable to the increase in property values due to the improvements within the reinvestment zone. The additional tax revenue that is received from the affected properties is referred to as the tax increment. Each taxing unit determines what percentage of its tax increment, if any, it will commit to repayment of the cost of financing the public improvements.

Compliance & Reporting

The TIRZ Board policies shall comply with all federal, state, and local laws, rules and regulations. The TIRZ Board will submit project status reports and financial reports as required by state law.

Public Sector Entities Participating in TIRZ #4

All project costs will be paid through the contribution of incremental property taxes collections. This preliminary plan assumes that the City of New Braunfels will contribute a portion of its total tax rate (maintenance and operations (M&O) and interest and sinking (I&S) ad valorem tax rate for 25 years.

Table 3: Taxing Jurisdictions Participating in TIRZ #4

Entity	Property Tax Rate per \$100 (2025)	% Contribution
City of New Braunfels	\$0.408936	85.0%

Source: TXP, Inc.

Financial Forecast Assumptions

- **TIRZ Duration** – The TIRZ will have a 25-year lifespan.
- **TIRZ Allocation** – The City of New Braunfels will contribute 85.0 percent of its total incremental tax collections.
- **Tax Rate** – While tax rates do change over time, the 2025 tax rate was held constant for the duration of the TIRZ.
- **Existing Properties** – The 2025 baseline property value of the TIRZ is approximately \$1,050,000.
- **Real Property** – Only taxable real property values are included in the tax increment calculations. By law, business personal property values are excluded from TIRZ.
- **Future Development Patterns** – To provide an order of magnitude estimate, TXP has incorporated the build out of the New Braunfels Economic Development Corporation property.
- **Inflation & Appreciation Rate** – The inflation rate used for construction costs and the value of improvements is 3.0 percent per year.

Financial Forecast Summary Results

The following tables depicts the anticipated revenue generated over 25 years. The revenue forecast assumes the TIRZ is established in 2025 (baseline year). The first TIRZ increment will occur in 2026 (2026 value less 2025 baseline value). Note, 2026 taxes are not due until January 2027.

Table 4: Preliminary TIRZ #4 Buildout and Revenue Forecast

Year	Period	Total Taxable Value	Incremental Value	City Revenue @ 85% Contribution
2025	0	\$1,050,000	\$0	\$0
2026	1	\$1,081,500	\$31,500	\$109
2027	2	\$1,113,945	\$63,945	\$222
2028	3	\$1,147,363	\$97,363	\$338
2029	4	\$3,713,468	\$2,663,468	\$9,258
2030	5	\$31,547,206	\$30,497,206	\$106,007
2031	6	\$40,086,126	\$39,036,126	\$135,688
2032	7	\$49,033,064	\$47,983,064	\$166,787
2033	8	\$58,403,297	\$57,353,297	\$199,358
2034	9	\$60,155,396	\$59,105,396	\$205,448
2035	10	\$61,960,058	\$60,910,058	\$211,721
2036	11	\$63,818,859	\$62,768,859	\$218,182
2037	12	\$65,733,425	\$64,683,425	\$224,837
2038	13	\$67,705,428	\$66,655,428	\$231,691
2039	14	\$69,736,591	\$68,686,591	\$238,752
2040	15	\$71,828,688	\$70,778,688	\$246,024
2041	16	\$73,983,549	\$72,933,549	\$253,514
2042	17	\$76,203,055	\$75,153,055	\$261,229
2043	18	\$78,489,147	\$77,439,147	\$269,175
2044	19	\$80,843,821	\$79,793,821	\$277,360
2045	20	\$83,269,136	\$82,219,136	\$285,790
2046	21	\$85,767,210	\$84,717,210	\$294,473
2047	22	\$88,340,227	\$87,290,227	\$303,417
2048	23	\$90,990,433	\$89,940,433	\$312,629
2049	24	\$93,720,146	\$92,670,146	\$322,117
2050	25	\$96,531,751	\$95,481,751	\$331,890
				\$5,106,016

Source: TXP, Inc.



Conclusion

Based on the preliminary development concepts and activity zones within this area, anticipated tax revenue, and market demand projections, TIRZ #4 is economically and financially feasible. The TIRZ could generate substantial revenue to pay for infrastructure and redevelopment costs. Over the next 25 years, the TIRZ could generate \$5.1 million in nominal TIRZ revenue.

These projections are based on the best available datasets and information related to market conditions in the region. The substantial commitment of a few large developers could have a significantly positive impact on both the level and timing of future growth. Moreover, the financial projections make no allowance for positive spillover to the value of other properties in area as a result of new development (beyond inflation), could occur. At the same time, a slowdown in development as a result of a weaker national economy, negative changes in key drivers of regional economy, or other unforeseen issues could materially reduce the volume of construction put in place, and resulting tax revenue, over the next 25 years.

Appendix: Properties within the Proposed TIRZ #4

Table 5: Properties within the Proposed TIRZ #4

Parcel	Property ID	Owner	Land Use Code
1	187540	CITY OF NEW BRAUNFELS	City
2	187541	CITY OF NEW BRAUNFELS	City
3	187542	CITY OF NEW BRAUNFELS	City
4	199295	DRAGO DEVELOPMENT LLC	Commercial/Multi-family

Source: Guadalupe Appraisal District; TXP, Inc



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