

**New Braunfels Economic Development Corporation  
Board of Directors Regular Meeting  
October 15, 2020**

**Minutes**

The New Braunfels Economic Development Corporation October Regular Meeting was called to order on Thursday, October 15, 2020, at 5:09 p.m. via Zoom Virtual Meeting.

Present: President Neal Linnartz, Vice President Kathy Meurin, Secretary Jim Poage, Treasurer Don Austin, Director Kristin Carden, and Director Stuart Hansmann.

Absent: Director Brian Cox

Chamber Staff: Michael Meek

City Staff: Assistant City Manager Jordan Matney, City Attorney Val Acevedo, City of New Braunfels Community and Economic Development Director Jeff Jewell, City of New Braunfels Finance Director Jared Werner, and City of New Braunfels Downtown Development Coordinator Amy McWhorter.

Also present was Mayor Rusty Brockman.

Guests: Emily Lane, Max Harford, Peter James, and Paul Woessner.

1. The minutes from the September 17, 2020 Regular Meeting as well as September 30, 2020 Called Meeting were moved for approval with one amendment by Poage with the second from Austin. The amendment on both sets of minutes was to correct Austin's title to Treasurer. Cox was incorrectly identified as the Treasurer. Motion was approved 6-0.
2. City Finance Director Jared Werner then presented the October NBEDC Treasurer's Report. Werner stated the month of August sales tax collections increased by 2.6% and with one month remaining that the fiscal year-to-date collections have increased 4.1%. The report also included projected revenues for Fiscal Year 2019-Fiscal Year 2024, total NBEDC expenditures and current commitments for the same time period, annual capacity for new commitments, and a financial summary of revenues, committed expenditures and projected fund balance. There were no questions for Werner.
3. The next individual item for consideration was the Advisory Team Report. Meek recapped the latest briefing as well as weekly work done by the staff the previous month. The report also included the second quarter fiscal year and third quarter fiscal year activities report. Poage inquired about the status of wayfinding signage, and Jewell replied that the project was going into redesign and is awaiting funding.

4. Agenda Item No. 5 was a presentation, update and discussion of the Veramendi Development. Peter James and his team presented a slide show that included drone photos of the project since November 2017, roads added, the new elevated storage tank, Dam #2, photos of various homebuilders with an estimated 250 single-family homes on the ground by this December, the development has invested approximately \$45 million to date with homebuilders investing another \$50 million, a health and life sciences district, a coming neighborhood center near the elementary school, community center including a daycare, and other retail tenants expected. A commercial business district off Borchers Boulevard will be phased in with users such as a movie theater, grocery store, and more. While the pandemic has slowed the progress in the commercial district, there are signs of life that this industry sector is recovering.
  
5. Linnartz recused from Agenda Item No. 6 and asked Poage to read the item. Poage stated this item was a public hearing, discussion and possible approval of a proposed project expenditure of up to \$320,000 to Aviation Academy of America, Inc. for construction of airport infrastructure and related improvements. Jewell reviewed the project with the current location at the New Braunfels Regional Airport. The company is planning a build-to-suit hangar, and office and classroom space adjacent to the existing Canyon Aviation Hangars. The hangar developer would enter a 40-year ground lease with the airport, and VT-AAA anticipates purchasing the hangar at the end of its 15-year lease. The estimated total development cost of the hangar is nearly \$3 million. The drafted performance agreements includes that the company will construct or cause to be constructed a minimum 22,000 square foot hangar including office and classroom space at the airport and create and maintain new, full-time positions according to the schedule included in the performance agreements. The company will also purchase at least 60,000 gallons of 100 LL fuel from the FBO at the airport on an annual basis. Poage opened the public hearing, and no members of the public were present. Hansmann moved to approve a project expenditure of up to \$320,000 to Aviation Academy of America, Inc. for construction of airport infrastructure and related improvements. Austin seconded the motion. Motion passed 5-0.
  
6. The next item for consideration was to discuss and consider approval of the First Amendment to the Economic Development Agreement between PNC Bank, NA and the New Braunfels Economic Development Corporation. Linnartz called on Jewell for the explanation. In September 2019 the NBEDC and City Council approved up to \$800,000 to PNC Bank for the creation of 500 primary full-time jobs as well as a capital investment of at least \$11.2 million. The current performance terms require that the company employ no fewer than 300 full-time employees at the New Braunfels facility by June 30, 2021. The company has since hired approximately 128 employees

since opening in May 2020. However, the ongoing pandemic has resulted in operational changes that requires some employees to work in a virtual environment from temporary home offices. The company has requested that the performance agreements be amended to include language that recognizes the virtual hiring and work operations. The agreement is proposed to be changed so that only those employees residing in counties contiguous to Comal County, Guadalupe, Bexar, or Hays Counties would be applied toward the minimum employee threshold. Poage moved and Austin seconded a motion to approve the First Amendment to the Economic Development Agreement with PNC Bank. Motion passed 6-0.

7. The next agenda item was to discuss and consider strategic initiatives, prioritization and provide direction to staff. Jewell reviewed the results of a ranking exercise by board members on various potential projects. Projects were scored and ranked from 1 to 16. Jewell reviewed all 16 projects with emphasis on the Top 10. He then asked Main Street Coordinator Amy McWhorter to review possible next steps and timelines for potential action for those ranking in the Top 10. Following the presentation, Meek stated he had spoken with Jewell regarding the broadband initiatives since it had ranked so high in previous rankings with board members. Since that project is well on its way to the final proposal to the board, it was not included in these ranking options. Poage inquired about other potential projects including broadband, the airport, and office development. Jewell stated as those projects evolve they would be brought before the board. Meek complimented City staff on the prioritization exercise and stated this would be helpful going forward for board members to prioritize investments.

8. Linnartz then stated he would be recessing the meeting to go into Executive Session at 6:22 p.m. He also would call roll as board members reentered the meeting virtually. Linnartz first read the agenda item in open session as follows:

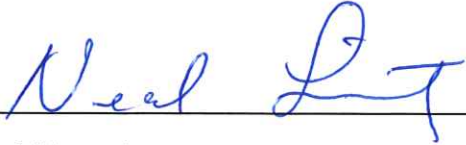
In accordance with the Texas Government Code, Section 551.071, the Board reserves the right to retire into executive session concerning the items listed on this agenda to consult with its attorney. In addition, the Board may convene in executive session on any of the following items, with any final action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

- A. Deliberate Issues Regarding Economic Development Negotiations in accordance with Section 551.087 of the Texas Government Code.
  - Shiner Smokehouse.

The board returned to open session at 6:40 p.m. There were no actions or motions made after Executive Session.

The October 15, 2020 Regular Meeting of the New Braunfels Economic Development Corporation was adjourned at 6:42 p.m.

CERTIFICATION



Neal Linnartz  
President

Attest:



Jim Poage  
Secretary