

June 14, 2024

Mr. Jeff Jewell, Director
Economic and Community Development (ECD)
City of New Braunfels
550 Landa Street
New Braunfels, Texas 78130

Subject: Phase II Scope of Work, Gruene 16 Economic Development Potentials and Solicitation Support; EPS 233063

Dear Mr. Jewel:

Thank you for requesting a scope from Economic & Planning Systems (EPS) for Phase II of the work we have provided to you and the ECD staff regarding economic development opportunities on the Gruene 16 site. At this time we are in the process of completing the scope for Phase I, which entails rounding out the three options identified in the initial research with additional detail concerning a narrow set of specific elements.

The focus of Phase II includes:

- **Test Fit and Yield Studies.** The purpose of this exercise will be to take the three land use scenarios identified in Phase I and have an urban design/land planning firm apply them to the site to test the level of development that can be accommodated; ways to increase yield (i.e., structured parking); solutions that might include multiple elements from the recommendations from Phase I; and ways to incorporate civic amenities, such as parks, plazas, trails, and a community gathering place. The urban design team will summarize their work in a Vision Document that will become an integral part of the RFP (see below).
- **Financial Feasibility.** With the greater specificity provided by the land planning, EPS will then construct financial feasibility models to understand the degree of revenue/degree of subsidy required with different development program assumptions. The model will be constructed with a breadth of functionality to enable the ECD to understand the financial implications of different approaches and articulate these expectations in the forthcoming solicitation.
- **Solicitation.** EPS will draft an RFP the City can issue to solicit proposals from developers. The RFP will describe the overarching vision for the site based on City Council and EDC goals; a summary of the three concepts that could be implemented;

The Economics of Land Use



*Economic & Planning Systems, Inc.
730 17th Street, Suite 630
Denver, CO 80202-3511
303 623 3557 tel
303 623 9049 fax*

*Denver
Los Angeles
Oakland
Sacramento*

www.epsys.com

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a discussion of the financial terms and the degree of revenue expected (or the amount of incentive that could be offered); and ways the development teams can channel their experience and creative insights into a concept that moves the City forward relative to economic development as well as community vitality. The RFP will include a vision document from the urban design team that contains a depth of visual insights (plans, concepts, precedent imagery, etc.) to help elevate the quality of responses from developers.

An important logistical element of the scope is to transfer \$15,000 of funds for the Financial Feasibility from Phase I to Phase II, in recognition that it will be that much more specific and if it can be constructed based on the specificity provided from the urban design team. The anticipated budget for this work is:

- Test Fit and Yield Studies: \$25,000
- Financial Feasibility: \$15,000 (to be transferred from Phase I)
- Solicitation Drafting: \$20,000

We have enjoyed the work with the ECD, Economic Development Corporation (EDC), Chamber of Commerce, and the City thus far in this project. We look forward to the next step.

Sincerely,

ECONOMIC & PLANNING SYSTEMS, INC.



Andrew M. Knudtsen
Managing Principal