

**NEW BRAUNFELS
ECONOMIC DEVELOPMENT CORPORATION
BOARD OF DIRECTORS MEETING
City Hall - Council Chambers**

April 21, 2022 MINUTES

1. CALL TO ORDER

The meeting was called to order by President Meurin at 5:00 p.m.

2. ROLL CALL

Present: Chair, Kathy Meurin, Kristen Carden, Stuart Hansmann, Neal Linnartz, Jim Poage (via Zoom), Brian Cox (5:07 p.m.), Don Austin (5:13 p.m.)

Others: Mayor Rusty Brockman

Staff: Jeff Jewell, Amy McWhorter, Jared Werner, Jordan Matney, Valeria Acevedo, Matthew Eckmann; and Michele Boggs (Chamber of Commerce)

3. APPROVAL OF MINUTES

Mr. Linnartz made a motion to approve minutes of March 31, 2022. Ms. Carden seconded. Motion to approve February minutes carried 5-0-0.

4. TREASURER'S REPORT (Jared Werner, Assistant City Manager)

Mr. Werner reported that gross sales tax collections for February reflect the loss of HD Supply sales tax revenue for interstate sales, yet still showed a 14% increase year over year (an anomaly due to the winter storm of February 2021). The sector data for retail, food, professional services and manufacturing all tracked higher year over year, with wholesale (HD Supply sector) being down 51%. Mr. Werner noted that the months of March and April should reflect the HD Supply revenue loss more accurately. The EDC's projected capacity for annual expenditures, incentives, studies and contributions for years 2020 through 2024 is approximately \$4M. Werner noted that the FY 2021 Continental Automotive land grant, the FY 2022 incentives (Brauntex Theatre, Headwaters) and the proposed Union Pacific Railroad project (FY 2023) are all supported by surplus reserves. These are opportunities to use surplus reserves without impacting the annual budget and fund balance.

5. ADVISORY TEAM UPDATE

Michele Boggs reported that the current project pipeline includes 21 prospects which include two aviation companies, two biotech, 1 technology, and the rest are manufacturing companies. Two projects were added after Chamber representatives participated with the Business Facilities Live Exchange where companies seeking locations for active projects meet with economic development representatives and upcoming will attend a large German trade show where staff will meet with businesses in Munich and Bavaria to encourage locating facilities in New Braunfels.

6. CITIZENS' COMMUNICATIONS

(none)

7. DISCUSSION AND ACTION ITEMS

(A) Presentation and discussion of the Great Springs Project

Garry Merritt, Courtney Lyons-Garcia and David Bemporad of the Great Springs Project gave

a presentation illustrating the organization's mission – to connect and protect four springs with a 100-mile trail network from the Alamo to the Capitol, which would include adding 50,000 additional acres of land into conservation zone. The proposed trail project comprises San Antonio Springs, Comal Springs, San Marcos Springs and Barton Springs.

- (B) Discuss and consider approval of a Temporary Construction Easement between the New Braunfels Economic Development Corporation (NBEDC) and New Braunfels Utilities (NBU) on a portion of Lot 1, Block 1, Gruene 16 Subdivision for the purpose of a laydown yard for construction materials. Staff presented information regarding NBU's request via Pesado Contracting to use the property for a laydown yard in connection with a current NBU project, including market rates for leasing easement for similar purposes, and the proposed rate submitted by the Contractor. Mr. Linnartz made a motion to authorize Staff to move forward to with negotiations and further discussions with NBU to determine if a feasible lease fee can be reached. The motion was seconded by Mr. Cox. Motion carried 7-0-0.
- (C) Public hearing, discussion and possible approval of a project expenditure of a up to \$550,000 to Texas Tito's for an expansion project to promote business enterprises that create or retain primary jobs. Jeff Jewell updated a previous agenda item for Texas' Tito's proposed expansion. The New Braunfels-based company has seen significant growth and has a property for expansion. The applicant is requesting funding for the required installation of a fire suppression system and hydrants with a 12-inch water line that will also serve undeveloped neighboring properties adjacent to the property. Site development and code standards require this new infrastructure to be installed in order for the property to be developed. The 12-in water line is not related to the manufacturing process of the company's product. Project cost bids at \$550,000. Staff recommends letter of credit as collateralization. The relocation of Texas Tito's also allows expansion of its current co-located to also expand and bring their outsourced production back to New Braunfels. Motion by Linnartz to approve expenditure of 550,000 to Texas Tito's; seconded by Cox. Motion carried 7-0-0.
- (D) Presentation and update on the Sports Complex project by City staff: Jeff Jewell reviewed the 2016 feasibility study that led to the NBIDC's decision to provide funds for construction of a New Braunfels Sports Complex. In 2019 when the sports complex project was approved as a part of the bond process, the NBEDC committed \$15 million in funding. The total project cost for the Sports Complex at that time was \$25 million. Garry Ford reported that in late 2019 City Council and staff re-prioritized the construction of new Police Headquarters and Fire Stations due to their advanced stages in the design process, and the delays in the Sports Complex design process due to site-specific issues. These include utilities issues and civil engineering complexities. Mr. Linnartz commented that the EDC committed \$15 million to the project when the total cost was \$25 million, and before the project was changed to a phased model. Jordan Matney, Assistant City Manager, provided details on the utility impact fees that lead to the water re-use design, which will save up to \$1 million in impact fees, while contributing to savings through water re-use on monthly utility bills for the facility. She also stated that staff will provide more financial detail on the full project as they continue to work with the currently contracted third-party estimator.

8. EXECUTIVE SESSION - The board entered Executive Session at 6:18 p.m.

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. PNC Economic Development negotiations
- B. Deliberate the purchase, exchange, lease or value of real estate in accordance with Section 551.072 of the Texas Government code.
 - 1. Lot – Gruene 16, Block 1, Lots 1-3

The board returned to open session at 6:21 p.m. No action was taken after during or after executive session.

9. ADJOURNMENT – Meeting was adjourned at 6:24 p.m.

CERTIFICATION

Kathy Meurin
President

ATTEST:

Jim Poage
Secretary