



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



THURSDAY, JUNE 16, 2022 at 5:00 PM

AGENDA

1. CALL TO ORDER

2. ROLL CALL

3. APPROVAL OF MINUTES

- A) Reconsideration and approval of the April 21st regular [22-647](#) meeting minutes; and approval of the minutes of the May 19th workshop and regular meeting.

4. CITIZEN'S 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) FY June 2022 Treasurer's Report [22-671](#)

6. ADVISORY TEAM REPORT

- A) Advisory Team Report [22-648](#)
1. Pipeline Report
2. Economic Development Plan update

7. DISCUSSION AND ACTION

- A) Presentation, discussion and update on the Broadband [22-643](#) Initiative project

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) A. Deliberate Issues Regarding Economic Development [22-649](#)
Negotiations in accordance with Section 551.087 of the Texas Government Code
1. Project Locked

9. **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 221-4010 at least two (2) work days prior to the meeting so that appropriate arrangements can be made.

June NBEDC Treasurer's Report

June 16th, 2022

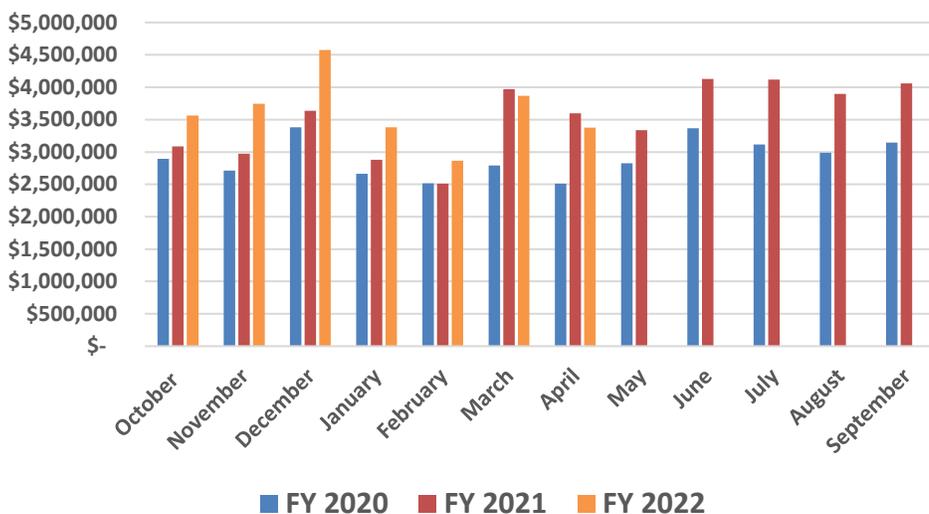
Overview

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 April decreased by 6.1%. When the various adjustments are removed, current collections decreased by 6.3%. Fiscal year to date, sales taxes are still up 12.0%. As discussed in previous meetings, as of February, we are no longer receiving sales taxes from HD supply, which had been the largest single remitter of sales tax revenue. Similar to last month, while a decrease, the net decrease for April of approximately 6.1% is better than our previous projections. At the time this report was completed, industry specific data was not available but will be presented at the June meeting if available.

Gross Sales Tax Collections

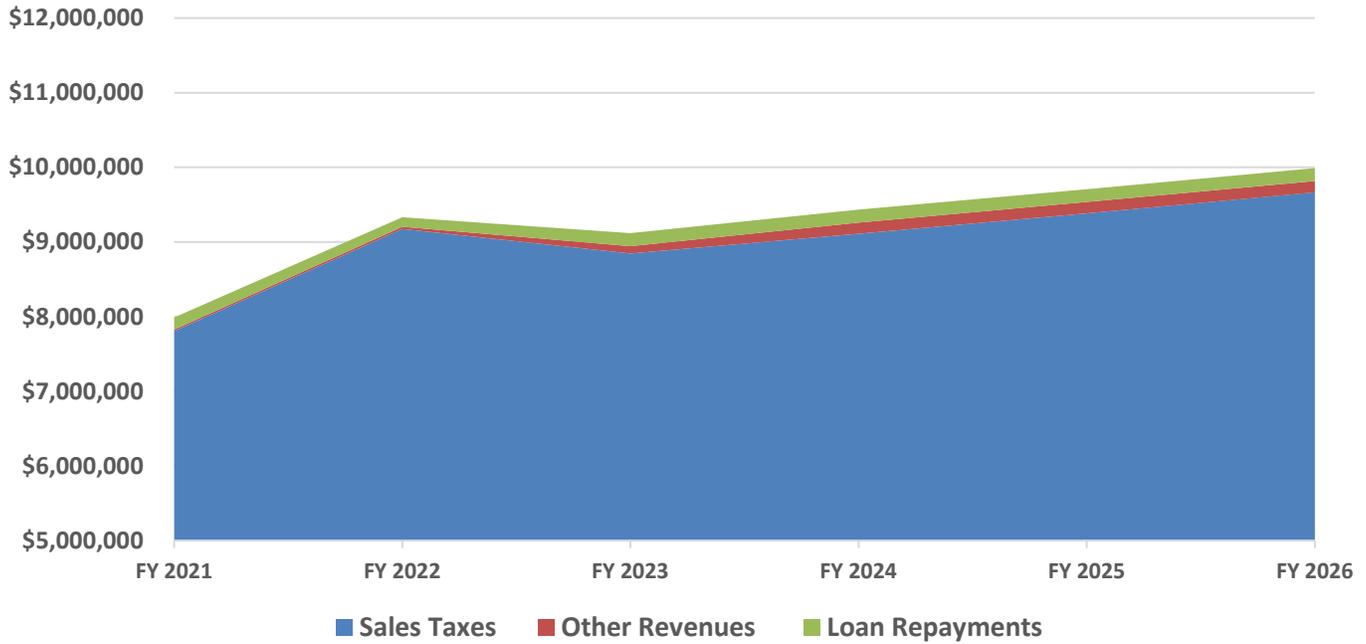


For more information contact:

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830-221-4385

Revenues

Projected Revenues - FY 2021 to FY 2026



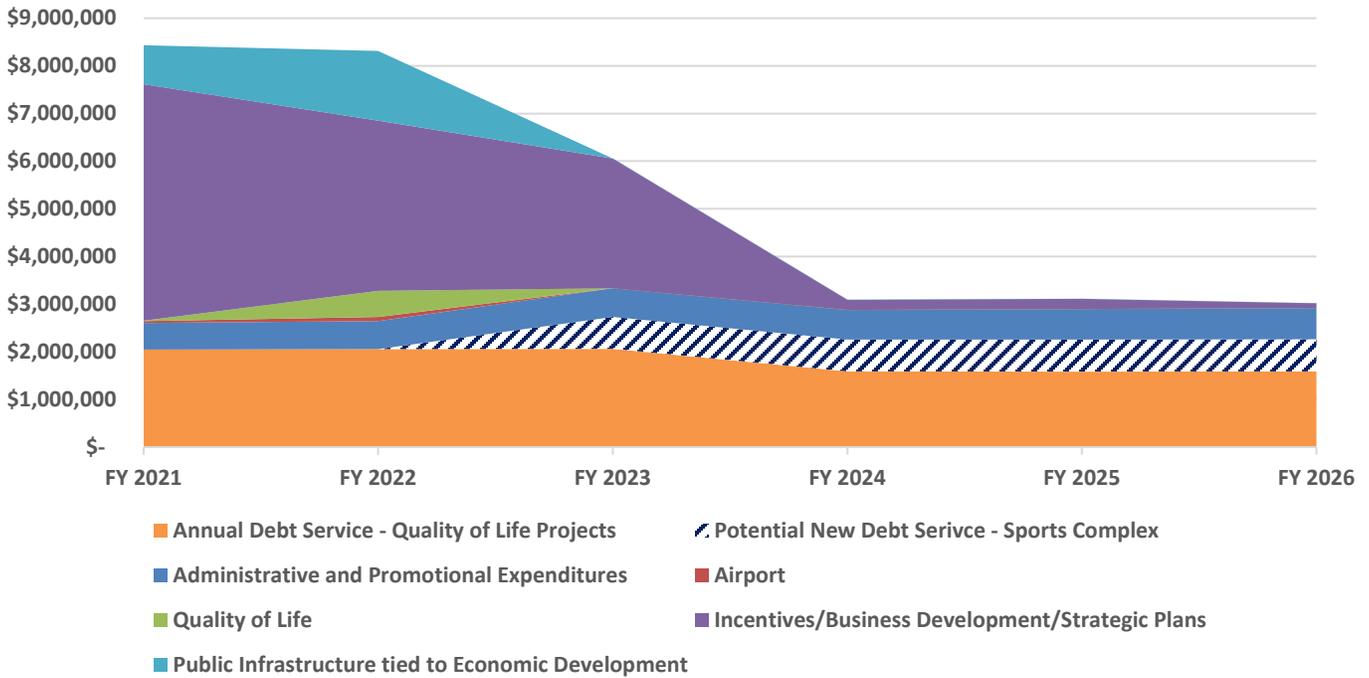
Revenue Projections	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Sales Taxes	\$7,806,626	\$9,172,906	\$8,845,997	\$9,111,377	\$9,384,718	\$9,666,260
Interest Earnings	\$21,931	\$30,000	\$100,000	\$150,000	\$150,375	\$150,751
Loan repayments/reimbursements	\$161,687	\$128,954	\$172,954	\$172,954	\$172,954	\$172,954
Total Revenues	\$7,990,244	\$9,331,860	\$9,118,951	\$9,434,331	\$9,708,047	\$9,989,965

Sales Taxes - the graph and table above reflects the projected impact to sales tax collections from the loss of sales taxes stemming from HD supply, which is scheduled to begin, February 2022. Anecdotally, inflation and other factors impacting the sales tax base seems to be mitigating the majority of those previously mentioned losses.

Loan Repayments – The NBEDC is scheduled to begin 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).

Total NBEDC Expenditures – Current Commitments

Current Commitment Projections - FY 2021 to FY 2026

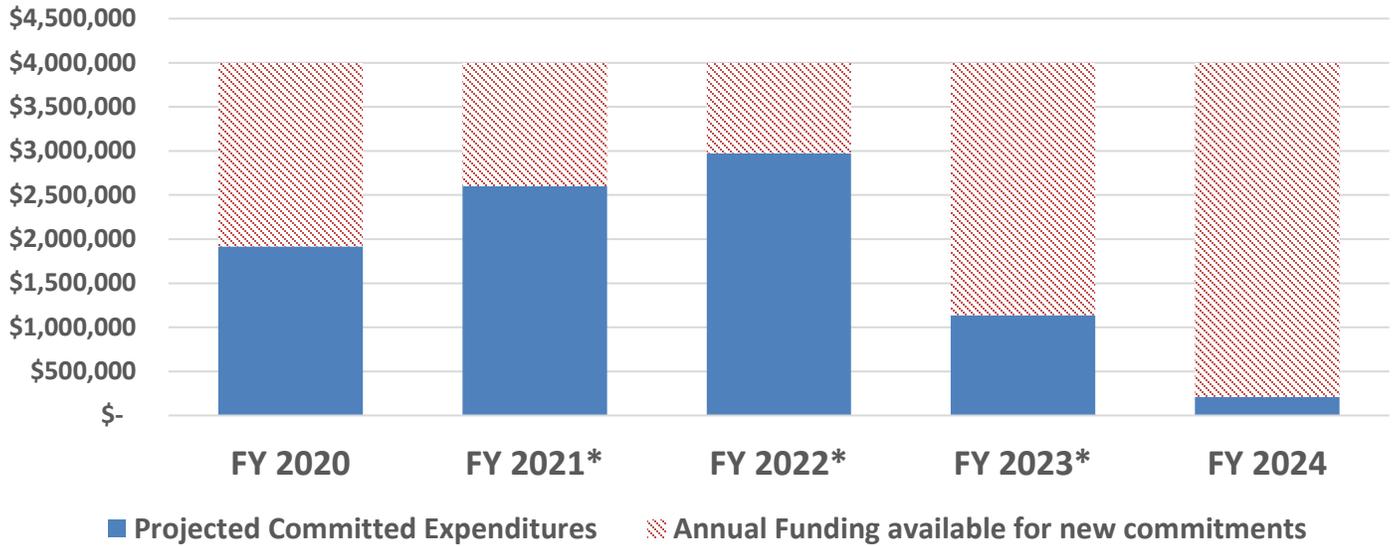


Current Commitments	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Admin/Promotional Expenditures	\$557,609	\$584,525	\$602,061	\$620,123	\$638,726	\$657,888
Airport	\$37,405	\$87,478	\$0	\$0	\$0	\$0
Quality of Life	\$9,664	\$546,945	\$0	\$0	\$0	\$0
Incentive/Business Development/Strategic Plans	\$4,962,153	\$3,077,499	\$3,223,226	\$210,576	\$213,576	\$96,576
Public Infrastructure tied to Economic Development	\$818,569	\$1,461,384	\$0	\$0	\$0	\$0
Annual Debt Service	\$2,047,719	\$2,057,494	\$2,060,919	\$1,587,044	\$1,586,294	\$1,588,884
Potential Debt Service			\$672,157	\$672,157	\$672,157	\$672,157
Total Expenditures	\$8,433,119	\$7,815,325	\$6,558,362	\$3,089,900	\$3,110,753	\$3,015,465

Projections above include all current commitments of the NBEDC – including those most recently approved (Tito's and removal of PNC Bank). The only exception to that is the additional debt service associated with the sports complex. This month's report includes recognition of additional debt service payments to illustrate how that would impact the NBEDC's cash flow if the remaining commitment was funded with debt proceeds (\$10 million)

Annual Capacity for New Commitments

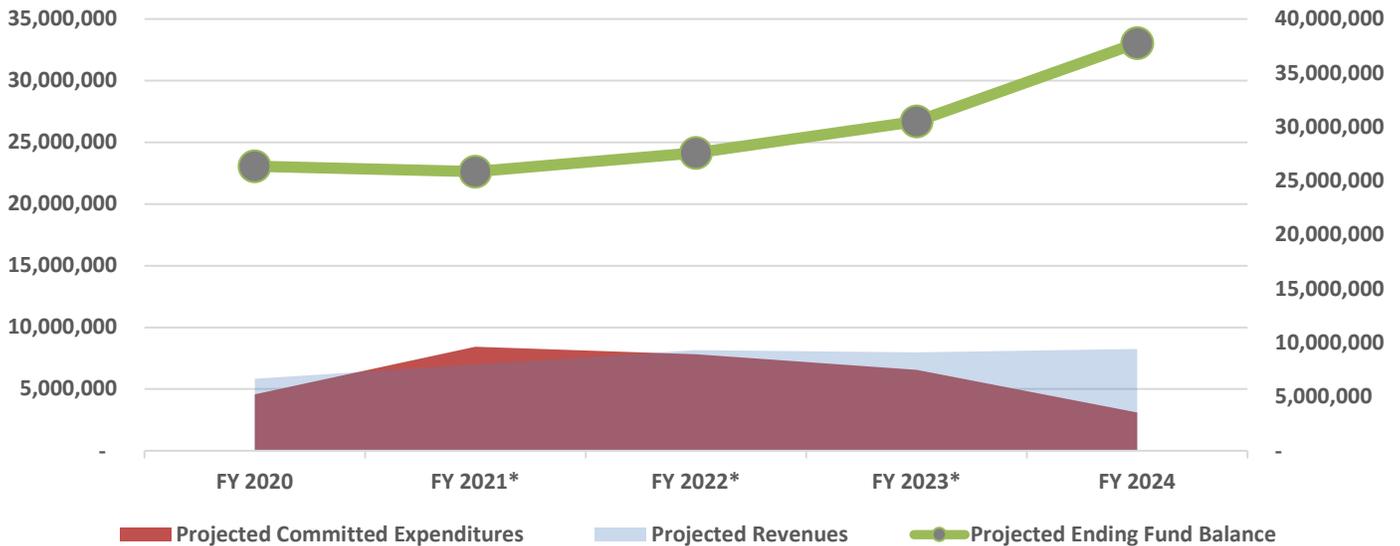
Projected Capacity for Annual Projects Expenditures
Incentives, Professional Services/Studies, Contributions, etc.



*The graph above assumes that the land grant associated with Continental Automotive (FY 2021), Brauntex (FY 2022), Headwaters (FY 2022) and UPRR (FY 2023) is supported by surplus reserves.

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

Revenues, Expenditures and Ending Fund Balance



*The graph above does not include current non-cash assets such as land and equipment

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

The past progress... or lack thereof

- 2014--- proposal for a feasibility study by Magellan
- 2016—proposal for broadband partnership development
- 2017—various presentations to City Council and NBU
- 2021 --Went from public-private with use of existing city and NBU fiber to private use with no fiber available from City or NBU.
- Primary goal from the beginning was to increase the saturation of 1gb plus broadband speeds within New Braunfels and as a priority the business sector for economic development of the city.
 - It is important to note that it was not until the EDC and City Council cleared this effort for pursuit that AT&T actually began field level efforts and running fiber optics to at least three area subdivisions.
 - As one contractor from Oklahoma said to me... “ this became a very rush, rush job for us to do and it was unexpected”
 - Another ATT representative spoke to a local citizen and explained that they were losing ground to Spectrum on high speeds and then there was some other Broadband provider coming to town and they needed to get this stuff in quick.
- The goal has yet to be achieved in the downtown corridor and delivery timelines continue to be pushed out.

Current Status

- Waiting on underwriter signature for surety bond as now required by NBU pole attachment
 - It has been with underwriter going on 2 months, latest update is “days” to be signed.
- Pole Attachment agreement has been signed by Frantic LLC. I expect some hurdles to clearing the NBU CEO signature as the Pole Agreement has been undergoing several changes to deal with major changes.
 - Upon receipt of Surety Bond by Frantic and delivery to NBU I have alerted NBU that I will be approaching NBU to request expedited release of construction permit from their engineering department as all previously agreed to conditions will have been met by Frantic.
- All necessary permits for phase 1 have been acquired and engineering design work has passed NBU review.
- All construction equipment and materials are purchased and in possession of Frantic as well as contractors to tunnel and run fiber above ground.
 - Estimated time to be in downtown with service to first customers is max of three months from that date
- Substantive Issues that may yet develop
 - NBU legal insisting that Frantic wait for new pole agreement to be authorized by Board and not allowing Frantic to work under the old agreement that was signed and submitted.
 - Coordination of City processes with Frantic

- Inflation, interest rates, recession, supplies for phase II
- Recession and Frantic. His backbone revenue business in NY must support his efforts here in Texas for several years before solid profitability is seen.

Opinion

If this competitive effort by Frantic can survive for at least two years, for those NB businesses that wish to have the higher broadband speeds, then the business momentum for very high speeds at reasonable sustainable rates in the downtown area will have been achieved.

Long Term Vision for Consideration

Middle mile broadband for electric utilities

HB 3853 6/15/21 SB 1650 4/14/21

Create as a public utility the broadband infrastructure that allows any data provider (AT&T, Spectrum,....,) to utilize existing public infrastructure to reach citizens. This vision eliminates the need for two, three ..., sets of infrastructure that must be built, maintained, and upgraded constantly.

One infrastructure utilized by any incumbent. Water, Electric and Wastewater all evolved to this model. NB should lead the way in this concept here in Texas.

synch

ATT
Spectrum

1 gb	2gb	5gb	.5 gb	0.4 gb
\$ 80.00	\$ 110.00	\$ 180.00	\$ 65.00	
\$ 89.00				\$ 69.00

	ATT	ATT	Spectrum
Ewe's 1024 W San Antonio	All BB offers	1gb, 400mb	1gb, 400mb
Krause's 148 S Castell	NO BB offers	5 mbs	1gb, 400mb
Gabby B boutique 264 W San Antonio	NO BB offers	5 mbs	1gb, 400mb
Dance wear 648 S. Castell Ave	NO BB offers	5 mbs	1gb, 400mb
Wiggings Co. 177 W Mill st	NO BB offers	5 mbs	1gb, 400mb
McAdoo's 196 N Castell ave	NO BB offers	5 mbs	1gb, 400mb
Alpine House 251 S Seguin	NO BB offers	5 mbs	1gb, 400mb
Downtown Social 386 W San antonio	All BB offers	1gb, 400mb	1gb, 400mb
Dos Rios 1281 N Academy	NO BB offers	50 mbs max at 100/month	1gb, 400mb
Spud Ranch 118 Common St	All BB offers	1gb, 400mb	1gb, 400mb
Faust 240 S Seguin	NO BB offers	50 mbs max at 100/month	1gb, 400mb
Chamber 375 S Castell	NO BB offers	5 mbs	1gb, 400mb
569 Kellys way (new BB construction)	no BB offers	5 mbs	1gb, 400mb
525 Timber Hollow (new BB construction)	no BB offers	5 mbs	1gb, 400mb