

RESOLUTION NO. 2016-R

15

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NEW BRAUNFELS, TEXAS, APPROVING A RECOMMENDATION OF THE NEW BRAUNFELS INDUSTRIAL DEVELOPMENT CORPORATION APPROVING A PROJECT EXPENDITURE OF UP TO \$500,000 TO USRLP I-35 LOGISTICS, LLC, A TEXAS LIMITED LIABILITY COMPANY FOR THE CREATION OF AT LEAST FIFTY PRIMARY JOBS; AND DECLARING AN EFFECTIVE DATE.**

WHEREAS, the City of New Braunfels Industrial Development Corporation ("IDC") Board of Directors met on February 11, 2016 to consider a request to provide financial incentives to Stream Realty ("Company") for a project to provide financial incentives for the development of an industrial building in the City of New Braunfels; and

WHEREAS, the IDC Board of Directors, after holding a public hearing and discussing the request at the special called meeting February 11, 2016, voted to approve a project expenditure of up to \$500,000 to USRLP I-35 LOGISTICS, LLC. for project expenses related to developing, constructing, leasing and/or selling its facility to tenants that will create jobs considered to be "primary" as defined by Texas Local Government Code Section 501.002; and

WHEREAS, the Company will receive the funds according to the terms more fully described in the attached terms sheet adopted by the parties; and

WHEREAS, the IDC Board of Directors will enter into an economic development agreement as authorized by the Texas Local Government Code Section 501.103 with USRLP I-35 Logistics to provide infrastructure necessary to develop new or expanded business enterprise.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF NEW BRAUNFELS, TEXAS:**

SECTION 1: That the recommendation of the New Braunfels Industrial Development Corporation to provide financial incentives to USRLP I-35 Logistics, LLC. is hereby approved.

SECTION 2: That this Resolution shall become effective from and after the date of its passage.

PASSED, ADOPTED AND APPROVED this 22nd day of February 2016.

CITY OF NEW BRAUNFELS, TEXAS

By: 

Barron Casteel, Mayor

ATTEST: 

Patrick D. Aten, City Secretary



# I-35

## LOGISTICS CENTER

NEW BRAUNFELS, TEXAS



HIGHLY FUNCTIONAL AND ACCESSIBLE DISTRIBUTION  
SPACE IN THE HEART OF THE SAN ANTONIO / AUSTIN CORRIDOR

### 397,600 SQ. FT. WAREHOUSE

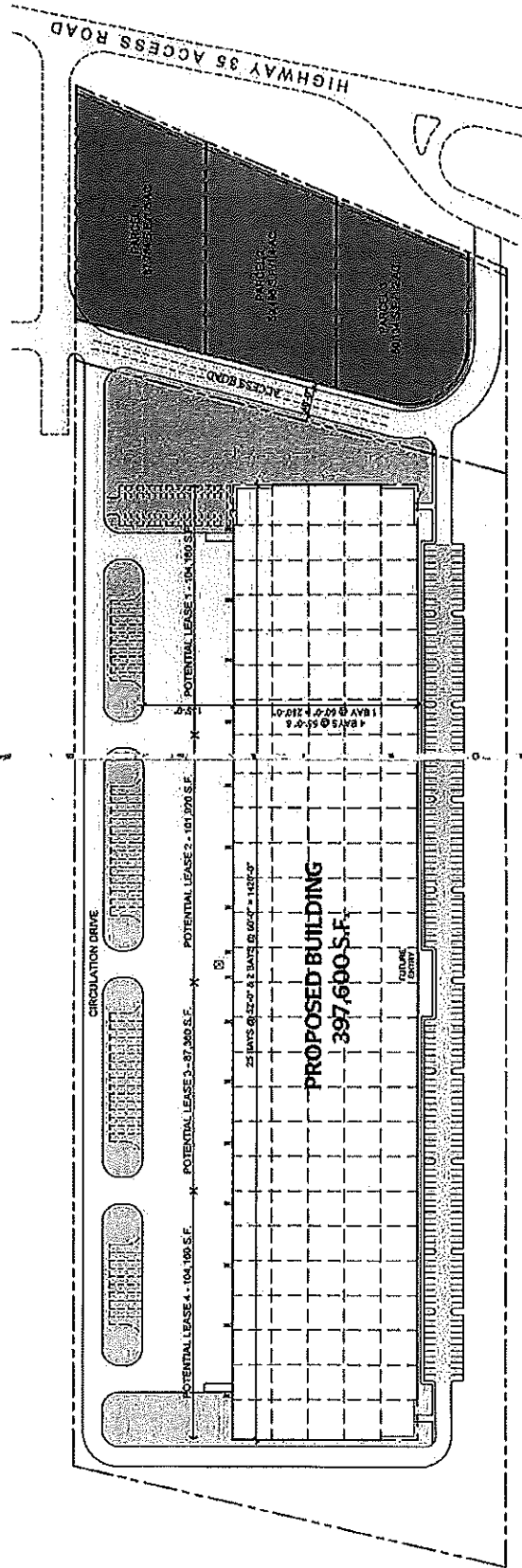
DELIVERING JULY 8, 2016

DEVELOPED, LEASED  
AND MANAGED BY:

  
**STREAM**

**PROPERTY OVERVIEW**

<b>Size:</b>	397,600 square feet	<b>Employee Parking:</b>	247 spaces (expandable)
<b>Configuration:</b>	Rear load	<b>Trailer Storage:</b>	52 stalls
<b>Overhead Doors &amp; Ramps:</b>	(2) 12'x14' with ramps	<b>Truck Court Depth:</b>	135'
<b>Clear Height:</b>	32'	<b>Lighting:</b>	T5
<b>Building Dimensions:</b>	280' X 1,420'	<b>Fire Suppression:</b>	ESFR
<b>Loading Doors:</b>	80	<b>Office Finish Levels:</b>	2-5%
<b>Column Spacing:</b>	52' X 55' (typical)	<b>Tenant Size Range:</b>	87,040 to 397,600 square feet



## INVESTMENT ABSTRACT

# I-35

## LOGISTICS CENTER

7755 SOUTH WESTERN AVENUE  
NEW BRAUNFELS, TEXAS

### BUILDING STATS

**Asset Name:** I-35 Logistics Center  
**Address:** 3365 Interstate 35  
**City/State/Zip:** New Braunfels, Texas 78132  
**Submarket:** Far Northeast San Antonio  
**Product Type:** New bulk distribution warehouse  
**Building Size:** 397,600 SF  
**% Pre-Leased:** 0%  
**Maximum Contiguous:** 397,600 SF  
**Minimum Size:** 87,360 SF  
**Number of Tenants:** One (1) to four (4)

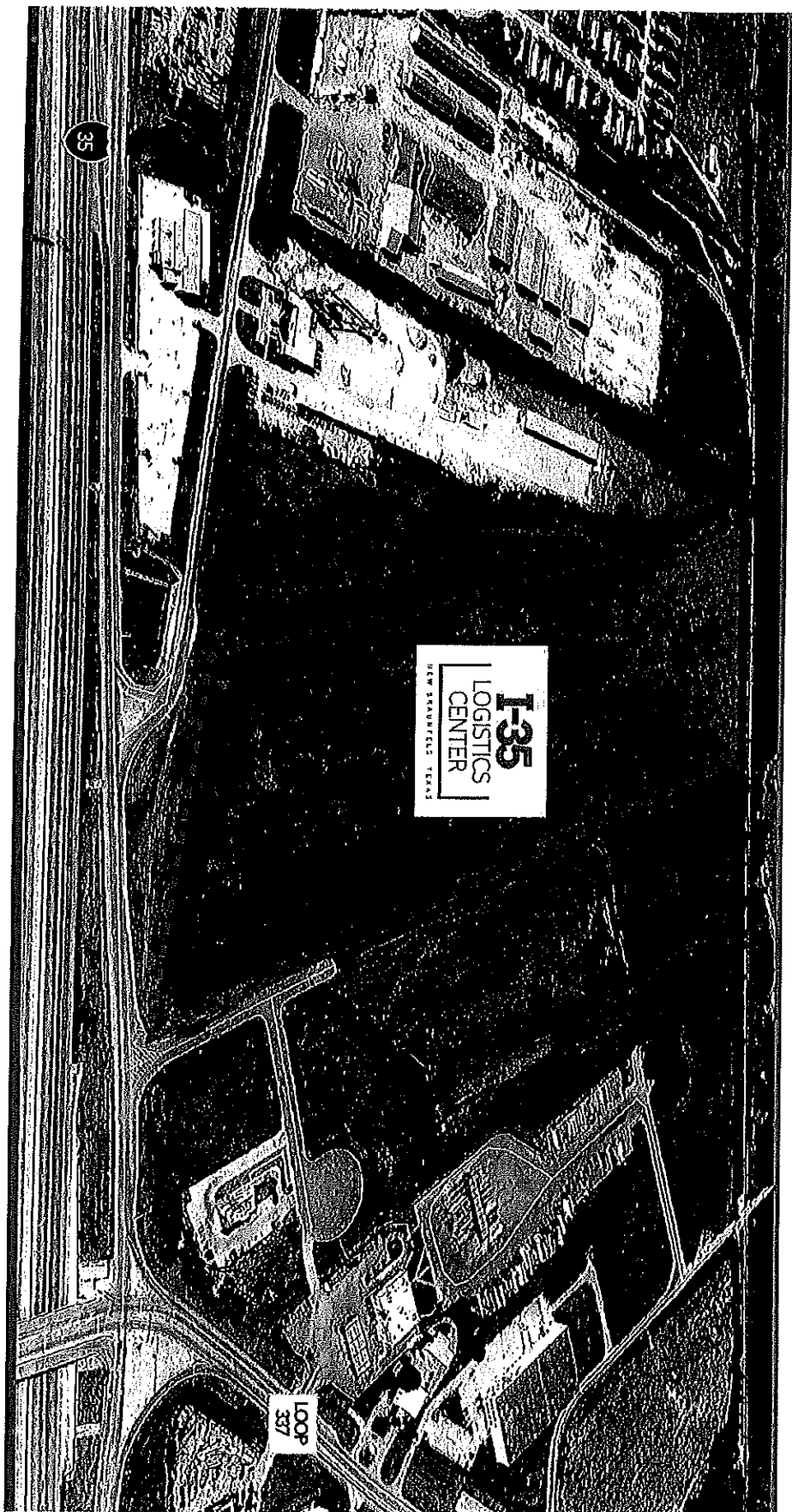
**Acres:** 30.00  
**Parking Spaces:** 200 employee parking spaces  
**Trailer Storage/Staging:** 52 trailer stalls  
**Clear Height:** 32'  
**Bay Depth:** 280'

**Column Spacing:** 52' x 55' (typical)  
**# of Dock Doors:** 80  
**# of Drive-in Doors:** Two (2) 12'x14' drive in doors with ramps  
**Loading:** Rear load

INVESTMENT ABSTRACT

AERIAL 2

**I-35**  
LOGISTICS  
CENTER  
15300 WESTERLAVES  
NEW BRUNSWICK, TEXAS



I-35 LOGISTICS CENTER: SPECULATIVE WAREHOUSE DEVELOPMENT | 10

**STREAM**



## Proposed Term Sheet Stream Realty

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This term sheet sets forth the principal terms proposed for the construction of a +/- 397,000 ft<sup>2</sup> industrial building ("the Project") by US Real Estate Limited Partnership (USRELP) I-35 Logistics, LLC. ("the Company"). No legally binding obligations will be created by this Term Sheet until definitive agreements are executed and delivered by all parties. This Term Sheet is not a commitment to invest any public funds and is conditioned on the final approvals of New Braunfels Industrial Development Corporation ("NBIDC") and the City Council of the City of New Braunfels ("City").

### Project:

The Company proposes to construct a +/- 397,000 ft<sup>2</sup> industrial building and related utility and road infrastructure with a total development budget of approximately \$22 million. The Project will be leased or sold to tenants in the manufacturing, distribution or warehousing sectors. The proposed uses will be light industrial and add to the primary job base of New Braunfels.

### Recommended Incentive:

The NBIDC is proposing to reimburse the Company or tenant with up to \$500,000 in costs associated with the Project. These costs would be distributed on a performance basis to either a) the eventual tenant pending verification of their status as a primary employer or b) the Company if they provided evidence of a lease agreement with a primary employer. Specifically, the NBIDC will reimburse the Company for costs incurred during the project under the following categories:

- Construction costs of water, wastewater, electric utilities to the site and for the Project; and
- Those costs related to "Tenant Improvements"
- Road construction to access the site and Project; and
- Impact fees, permit charges and other regulatory fees associated with constructing the infrastructure.

The amount delivered would be calculated relative to the tenant's industry classification and the amount of square footage leased according to the following factors:

Wholesale trade, transportation or warehousing industries (Primary NAICS codes of 42, 48-49): **\$1.25 multiplied by ft<sup>2</sup> area leased by the tenant**

Manufacturing (NAICS 311-339), information (NAICS 51 excluding 512131 and 512132), architectural, engineering



and related services, computer system design and related services; management, scientific and technical consulting services; scientific research and development services; other professional, scientific, and technical services (5413, 54115, 5416, 5417 and 5419): **\$2.00 multiplied by ft<sup>2</sup> area leased by the tenant.**

**Performance Requirements:**

There is a performance requirement that the recipient must demonstrate an increase in payroll or jobs. The scope and extent of either of these conditions can be negotiated between the parties. In the event of a default, an entity must guarantee the performance of these requirements. If there is a failure to perform, the NBIDC will clawback all or a portion of the proceeds. The performance requirements will be in place for a minimum of five years for an award of \$500,000 (1 year per \$100,000 delivered). In consideration of the grant, the recipient must:

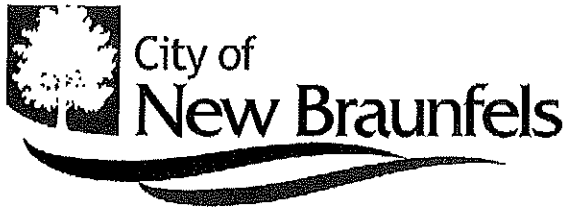
- Maintain, or provide a guarantee of the creation and maintenance of 10 jobs annually up to 50 jobs.
- Provide documentation that substantiates the Company's expenditure and payment for the infrastructure improvements; and
- Incentive amounts available for use until five years from the date the first tenant occupies; and
- Provide documentation that shows IDC funds will be passed through to reduce either the lease rate or the project cost to an end user.

**Delivery of funds:**

The funds are to be delivered on an annual basis, one year from the date the Certificate of Occupancy is issued for the use. The maximum to be paid in any given year is \$100,000 cumulatively.

**Administration:**

The NBIDC is approving up to \$500,000 to be delivered to the company providing the jobs or payroll guarantee. If the recipient provides the appropriate documentation demonstrating fulfillment of the performance conditions above, it shall be eligible for a payment of up to \$100,000 annually. This shall be the maximum amount delivered to any entity or entities eligible for funds and shall be divided on a pro-rata share (based upon square footage leased) amongst those entities eligible to receive funds. Any proposed expenditure under this Agreement shall be presented to the NBIDC for final approval.



**Reporting:**

The Company will need to provide documentation substantiating the cost of improvements to include all invoices and receipts of payment.

**Authorizing Statute:**

The NBIDC is permitted to undertake this project under Texas Local Government Code Chapter 501.101.