

Legislation Text

File #: 24-738, Version: 1

PRESENTER:

Jordan Matney, Deputy City Manager

SUBJECT:

Discussion and possible action approving a resolution recommended by the New Braunfels Economic Development Corporation approving a grant of up to \$4,550,000 to the City of New Braunfels for the purchase of a 1.126-acre tract, commonly known as 263 Main Plaza, in New Braunfels, Comal County, Texas, being Lots 40, 42, and part of Lot 36, Block 1005, and being those lots described by deed recorded in Volume 56, Pages 150-153, LESS that portion of Lot 36 conveyed by deed recorded in Volume 57, Pages 307-309, Deed Records of Comal County, Texas, pursuant to section 505.152 of the Texas Local Government Code.

DEPARTMENT: Economic and Community Development**COUNCIL DISTRICTS IMPACTED:** 5**BACKGROUND INFORMATION:**

The New Braunfels Economic Development Corporation (NBEDC) held a public hearing on May 16, 2024 and unanimously approved the grant expenditure. This action would provide the funding necessary to pay NBU for the transfer of the downtown headquarters site. The Real Estate Transfer Agreement transfers the property at a price of \$4,550,000 to the City to be used by City for the Qualified Expenditures, with \$500,000 due by August 1, 2024, and the balance to be paid as follows:

- \$500,000 on October 1, 2024;
- \$500,000 on October 1, 2025;
- \$500,000 on October 1, 2026; and
- \$2,550,000 on the sooner of the following to occur (i) the date that NBU turns over possession of the Property to the City under the Lease; or (ii) the Lease Termination Date, as defined in the Lease.

NBU will lease the Property starting on the transfer date and end on the date that is not more than 120 days after the date NBU obtains its final certificate of occupancy for its new headquarters. NBU is expected to occupy its new facility sometime in the spring of 2027. With the transfer complete and NBU relocated, the City can transfer the property to the NBEDC for the purposes of economic development. The City and NBEDC intend to redevelop the site in accordance with the goal of continuing to support the continued growth of downtown New Braunfels.

ISSUE:

Approval of a project expenditure to transfer the downtown NBU site to the City of New Braunfels.

STRATEGIC PLAN REFERENCE:

☒Economic Mobility ☐Enhanced Connectivity ☐Community Identity
☐Organizational Excellence ☐Community Well-Being ☐N/A

FISCAL IMPACT:

\$4,550,000 to be paid to NBU as specified above. The NBEDC has sufficient funds to fund this grant expenditure.

RECOMMENDATION:

Approval of the project expenditure of up to \$4,550,000 to the City of New Braunfels for transfer and leaseback of the downtown headquarters site.