

Legislation Text

File #: 24-362, **Version:** 1

PRESENTER:

Jeff Jewell, Economic and Community Development Director

SUBJECT:

Discussion and possible action approving the execution of the consent of the New Braunfels Economic Development Corporation as a lienholder to a conveyance of .5 acre of land by Veramendi PE-Darwin, LLC. to directors of Veramendi Master District without waiver or release of lien, and authorizing the NBEDC President to execute the Consent to Conveyance agreement.

DEPARTMENT: Economic and Community Development

COUNCIL DISTRICTS IMPACTED: N/A

BACKGROUND INFORMATION:

In mid-2017, the New Braunfels Industrial (now Economic) Development Corporation (NBEDC) approved a \$1.6M loan for the Veramendi development project. These loan proceeds were utilized to construct a road with the mixed use and employment planning and large format retail planning areas of the project. The loan agreement was secured by a first lien on approximately 43 acres within the project. In 2016, the property was appraised at \$5.8 million.

The development is requesting that the NBEDC consent to the conveyance of a half-acre (.5) lot from within the secured property. The consent provides the development with the ability to provide a 1/5th undivided interest of the half acre lot to each of the five directors of the district. As a lien holder on the property, the NBEDC is required to consent to the conveyance of its secured property.

NBEDC's security position for the original loan is still maintained with the transfer of the half acre lot.

ISSUE:

Consent to the conveyance of a half-acre lot to five individuals elected to the board of directors for the district.

FISCAL IMPACT:

N/A

RECOMMENDATION:

Staff recommends approval of the conveyance of the half-acre lot.