

Legislation Text

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Presenter/Contact

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SUBJECT:

Discuss and consider approval of a resolution adopting the Economic Development Strategic Plan.

BACKGROUND / RATIONALE:

The City and its economic development stakeholders completed an economic development strategic planning process in the fall of 2012. This five year plan served as a single document to greater align strategies and resource allocation decisions for the various entities focused on economic development in the community, including the New Braunfels Industrial Development Corporation, City of New Braunfels, Economic Development Foundation, and Chamber of Commerce. This plan led to many accomplishments such as the Central Texas Technology Center Phase 2 expansion; the addition of more than 600,000 square feet of new commercial and industrial space; a partnership with People Fund for micro loans for small start-up businesses; and a plan nearing completion for the redevelopment of Castell Avenue.

In September 2016, the New Braunfels Industrial Development Corporation hired Pegasus Planning and Development to assist them in updating this economic development strategic plan. This process engaged a variety of community stakeholders in individual and group interviews and a steering committee oversaw the progress.

Broadly, the plan recommends goals, objectives and strategies that reflect the latest research regarding the best ways for a community to grow its local economy. Generally, a community's recommended economic development strategies have changed dramatically in the last couple of decades to more accurately reflect the realities and dynamics of an integrated and global economy where much more value is derived from "knowledge workers." Over time, communities have placed much more focus on the recruitment of these knowledge-based workers, and communities have continued to deliberate how they can continue to be a place attractive to talent. Understanding how the community can continue leveraging, strengthening and developing these assets and stimulating interest among that key demographic - talented workforce - will be essential for New Braunfels to continue to embrace and address.

The plan resulted in the creation of five goals and related objectives in different categories economic and community development:

Workforce Housing

Goal: Create an environment that offers the same social and economic mobility for all New Braunfels residents by focusing on building more housing options that are affordable for core portions of the middle class workforce.

Objective: Develop a funding and implementation engine for public-private partnerships to increase affordable housing for households earning at or below 80% MFI.

Housing affordability became an issue identified during many stakeholder interviews and is increasingly cited as a barrier to businesses attracting qualified and reliable workforces. This is a problem identified in many communities and the plan ultimately recommends the City adopt some policies to identify how and where it will support the creation of housing affordable to a mix of different incomes.

Quality of Place

Goal: Invest in creating more sustainable, connected, culturally rich, mixed-use community hubs built on a people- or labor-centric approach to economic growth to strengthen business attraction & expansion efforts.

Objective: Improve the Quality of Place, recognizing that “place” matters to a very mobile workforce by facilitating redevelopment/rejuvenation in key areas of the City.

Quality of Place consists of those characteristics of a community or region that make it distinctive from other places and attractive as an area to reside, work, and/or visit. This concept encompasses a community’s environment, civic traditions, cultural amenities, and recreational opportunities, and quality of Place improvements have increasingly become a focus for economic development leaders as a way to attract talent. Many of the stakeholders interviewed acknowledged New Braunfels unique quality of place, and suggested various methods to improve upon it. The suggested strategies involve focused investments to support the urbanization naturally occurring in the downtown area, more detailed planning strategies to assist in the emergence of other areas as unique nodal hubs to include the Historic Milltown and Westside areas. Finally, the plan recommends connectivity strategies to ensure these places are linked to be accessible by methods other than a personal automobile.

Entrepreneurship

Goal: Strengthen the existing entrepreneurship resources with investments across the entrepreneurial ecosystem that will increase local investment capacity, local funding sources, and marketing efforts.

Objective: Implement final phase of a 3-phased strategy to support Entrepreneurship by creating a more sophisticated space and infrastructure.

Small business growth and Entrepreneurship became one of the core areas of focus for New Braunfels during the last Economic Development Strategy. Much of the “heavy lifting” for entrepreneurship was completed during these first two years of implementing the 2012 strategy, including the creation of a three-phase plan for supporting small business and entrepreneurship. The strategies supporting this goal include the strengthening of existing opportunities for entrepreneurs to network and access financing and the development of a larger physical space to support an emerging culture of entrepreneurs.

Regional Transit

Goal: Create a car-alternative environment with transportation options implemented at the local,

intercity, and regional level designed to connect, enhance and revitalize a strategic network of mixed-use districts, denser residential/commercial hubs, attractions, and unique districts.

Objective: Create a short and long-range alternative transportation plan based on targeted, proactive land use planning and multi-modal connectivity.

New Braunfels has a commuter pattern that is disproportionately large for the population size and is also concentrated along very few corridors. Although some additional and expanded highway infrastructure will be built in the coming years, congestion will ultimately return due to the limited land available for outward expansion, sensitive environmental resources, and the continued need to use land for development opportunities to strengthen fiscal sustainability.

There was great interest across every aspect of the community in local transit in the short term while also pursuing intercity and regional commuter-transit options.

Real Estate Development

Goal: Maintain fiscal responsibility and support growth through expanding and strategically marketing for new commercial/industrial development with a focus on Corporate Campus & Class A office space expansion in strategic or higher density mixed-use nodes.

Objective: Continue to increase commercial real estate investment with the addition of a diversified portfolio through boosting Class A Corporate Office plats by at least 300,000 sf.

Commercial real estate investments over the past approximately 8 years have been largely focused within the retail and industrial markets. New Braunfels has successfully leveraged its strategic location to increase employment in Manufacturing and Warehousing, Transportation and Logistics sectors. New Braunfels' strong demographics-high levels of educational attainment, available workforce, high incomes, high real estate values-as well as quality of life, natural resources and attractive housing market make it a competitive market for the construction of a Class A corporate campus development. Smart design, land use and product alignment should be considered heavily and in tandem with a standard recruitment process.

Just as modern economic development philosophy has shifted toward a talent-focused model, corporate office spaces are imparting the same place-making methods to site selection and spatial design as urban planners or life-style center developers.

The goals discussed above outline the efforts of the City and its economic development stakeholders over a five year period. Staff will work with the community and other stakeholders to begin implementing the recommendations, with more detailed conversations about specific related initiatives coming in the near future.

ADDRESSES A NEED/ISSUE IN A CITY PLAN OR COUNCIL PRIORITY:

	Yes	City Plan/Council Priority:	16. Foster opportunities for affordable housing 21. Ensure sustainable quality development. 25. Implement the vision for the future of the City of New Braunfels. 27. Ensure a variety of transportation options for pedestrian, cycling and vehicular mobility.
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FISCAL IMPACT:

While there is not a fiscal impact associated with adoption of the plan, there will be fiscal impacts as strategies are fully developed and executed. As there is a decision regarding resource allocation, the item will be brought forward to the appropriate entities for consideration and action.

COMMITTEE RECOMMENDATION:

The New Braunfels Industrial Development Corporation met on February 16, 2017 and adopted the plan as its program of work. It was presented to the Chamber of Commerce Board for approval on March 20, 2017 and to the Economic Development Foundation on March 15, 2017.

STAFF RECOMMENDATION:

Staff recommends adoption of the plan.