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TOP STORY

4B gives initial OK to \$1.6M loan for Veramendi road plan

By Jared Meisinger The Herald-Zeitung
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The New Braunfels Industrial Development Corporation gave the initial OK to a project expenditure of up to \$1.6 million for a road leading into a mixed-use development area of the proposed Veramendi subdivision.

The NBIDC, also known as the 4B board, unanimously approved the item at a regular Thursday night meeting.

The expenditure is in the form of a loan which would be payed back with interest. The loan would go to Veramendi developer ASA Properties.

There is a planned due diligence period, and ASA will come back to the 4B board with final designs, which will have to be approved. The total loan amount could be less than \$1.6 million at that time.

The tri-party agreement is between ASA, the city and Veramendi's Comal County Water Improvement District No. 1, or WID.

The agreement also allows the city to collect 50 percent of sales tax in that mixed-use development area.

ASA Properties was not planning to start marketing the mixed-use development area until 2020 or 2021 — after the Texas Department of Transportation's planned Loop 337 expansion project is completed. But with 4B's loan, they will jumpstart that process, pushing it up a couple of years.

The design and construction process would take about 12 to 18 months. The initial project would not include sidewalks, utilities, etc., which would be completed at a later date.

The road — which would be about 32 feet wide from curb to curb — would start at Loop 337 and dead-end in that mixed-use development area, but the project expenditure is contingent on other parties agreeing to eventually extend the road all the way to Oak Run Parkway in the future.

The 4B board met for a special meeting on Tuesday to give city staffers some direction on what to bring back to the board Thursday. At that time, possibilities included a grant, loan or reimbursement, but the 4B board balked at the idea of a grant and took it off the table.

In addition to kickstarting the marketing of that development, the loan from 4B will also help New Braunfels Independent School District move forward with its planned elementary campus in Veramendi, City Manager Robert Camareno said Tuesday.

The terms of the loan, like interest rate and amortization period, were not finalized by Thursday, but the 4B board will have a chance to work through that when the city and ASA present their final designs.

“In the event of a default, the IDC would have a claim to future tax revenues that were coming out of the Water Improvement District,” city Development Coordinator Jeff Jewell said Thursday.

The project would also have to be approved at Comal County Commissioners Court at some point.

The president of the 4B board, Stuart Hansmann, said the loan is “an opportunity for” the 4B board “to jumpstart that commercial development.”

“We get a percentage of the tax so we have a vested interest in seeing that sooner rather than later,” he said.

Hansmann said the project is “a win-win” for Veramendi, 4B, the city and residents. It allows Veramendi to develop sooner. It helps NBISD move forward with their school in Veramendi, and residents see the loop finished sooner. And, “4B wins because we see the development sooner and we see that tax,” he said.