

# **Economic Development Strategic Plan New Braunfels, Texas**

## **FINAL REPORT**

**September 2012**



INTERNATIONAL  
ECONOMIC DEVELOPMENT  
COUNCIL

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## Part 1: Executive Summary

The City of New Braunfels, Texas is a booming community located in South Central Texas between San Antonio and Austin. It spans two counties: Comal (82.4 percent) and Guadalupe (17.6 percent). It is the county seat of Comal County. New Braunfels has a total land area of 43.87 square miles and 0.4 square miles of water. The city is situated along the Balcones Fault and intersected by the Comal River, which feeds into the Guadalupe River.

According to Census data, the city's 2010 population was estimated at 57,740<sup>1</sup>, a 58.2 percent increase from the 2000 Census estimated population of 36,494. For the decade between 2000 and 2010, the city grew its population at a compounded annual rate of 4.7 percent. This tremendous population increase in the city has been coupled with rising per capita incomes during the same time period as well (from \$18,548 in 2000 to \$25,975 in 2010, an increase of 40 percent<sup>2</sup>). The estimated median income for a New Braunfels household in 2010 was \$56,334, which is greater than the State of Texas estimate of \$49,646.<sup>3</sup>

The local economy in New Braunfels is heavily focused on leisure and entertainment. There are two major tourist destinations adjacent to downtown: Schlitterbahn, the largest water park in the U.S. and located walking distance from the heart of the city, and Gruene, a retail/entertainment center which is an approximate 10-minute drive from downtown. Between cultural tourism and tourist visits to the Comal River, it is estimated New Braunfels receives approximately two million visitors a year.

According to the U.S. Bureau of Labor Statistics, over the last five years unemployment rates in New Braunfels have been consistently lower than those of Comal County, the San Antonio-New Braunfels MSA, the state of Texas and the United States. In May 2012, the unemployment rate for New Braunfels fell to 5.3 percent, which is lower than Comal County (6.2 percent), the San Antonio-New Braunfels MSA (6.6 percent), and considerably lower than the state of Texas (~6.9 percent) and the U.S (8.3 percent).

Economic development projects and programs in the city are managed jointly by the City and Chamber staffs. The Chamber is the lead agency for business attraction and marketing efforts, and the city staff is involved throughout the development process and informs the city council of prospective deals and progress made. New Braunfels has an Industrial Development Corporation (i.e. Type B Board) and associated Board of Directors that evaluates and recommends incentives packages that support business attraction and development in the community to the city council.

The Honorable Gale Pospisil, Mayor of New Braunfels, organized and led the economic development strategic planning process. The Mayor holds an annual Economic Development Summit where topics of investment, entrepreneurial and small business development, tourism, cultural and recreation development, infrastructure, sustainability and workforce development are discussed. The International Economic Development Council (IEDC), the world's largest membership organization serving the economic development profession, presented at the Summit in Fall 2011. IEDC was retained in Winter

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<sup>1</sup> U.S. Census Bureau, State & County Quick Facts.

<sup>2</sup> U.S. Census Bureau Statistics, 2000, 2005 and 2010.

<sup>3</sup> U.S. Census Bureau: State and County Quick Facts. Data derived from Population Estimates, American Community Survey, Census of Population and Housing, County Business Patterns, Economic Census, Survey of Business Owners, Building Permits, Consolidated Federal Funds Report, Census of Governments.

2012 to facilitate the economic development strategic planning process on behalf of the Mayor and her constituents.

With the help of City Manager Michael Morrison and Chamber President Michael Meek, the Mayor selected close to sixty New Braunfels residents to drive the planning process, which commenced in February 2012. Below are some statistics that represent the level of effort that went into this strategic planning process.

- The process lasted 8 months.
- 46 committee meetings were held.
- Committee members spent an estimated 2,148 total hours in meetings.
- 44 resource speakers were invited to share knowledge and expertise with the committees.
  - 73% of resource speakers were New Braunfels residents.
  - Regional resource speakers included representatives from organizations such as:
    - The Texas Governor's Office,
    - The Texas Economic Development Council (TEDC),
    - Howard Payne University, and
    - The City of San Antonio, Office of Environmental Policy.

The participants were organized into the following four committees, which performed the majority of the work to develop the vision, mission, goals, objectives, strategies and action items found in New Braunfels' strategic plan.

- **Investment Committee**  
This committee was charged with examining local/regional innovation clusters to identify business attraction/relocation prospects, inform economic development marketing strategies and identify financial resources for commercial/industrial development.
- **Entrepreneurial and Small Business Development Committee**  
This committee was charged with examining the needs of existing small businesses, current entrepreneurship initiatives and available financing options for startups.
- **Services Committee**  
This committee was charged with examining the community's sustainability initiatives, current infrastructure and utility needs and cultural and recreational services.
- **Workforce Resources Committee**  
This committee was charged with examining the areas of workforce readiness and shortages, housing availability, existing workforce training providers and opportunities to expand post-secondary education offerings.

A Chairperson facilitated committee discussions and responded to member requests for additional information pertaining to the charge of the committee. The committee chairs also served on the Governance Committee, which was comprised of the Mayor, a City Councilmember, the Chamber of Commerce President, the City Manager, and the City's Development Coordinator. This structure allowed for regular exchange of information between all committees (through the committee chairs) so that committees were not developing ideas and strategies in narrow silos. It also reduced redundancies in information dissemination and eliminated mission creep with respect to each committee's economic

development charge. Equally important, the Governance Committee kept the city's elected leadership informed of the planning process every step of the way.

A Staff Leadership Team, which included the Chamber President, City Manager, City Development Coordinator and IEDC, was also organized to create a constant feedback loop between city leadership, the Chamber and IEDC. This Team supported the work of the committees, reviewed the economic development delivery system in New Braunfels, and assessed its capacity to achieve the proposed goals, objectives, strategies and action items emanating from this planning process. The Team identified what financial and technical resources could be brought to the Committee's attention to close knowledge gaps and inform the planning participants of the strong economic development linkages in New Braunfels.

The New Braunfels Economic Development Strategic Plan provides a structure to address common development goals, objectives & strategies. It defines and communicates the community's economic development success and links the community's goals, objectives and strategies with local resources.

The close working relationship between City Manager Michael Morrison, City Development Coordinator Jeffrey Jewell, Chamber President Michael Meek and the economic development stakeholders in New Braunfels was noted on multiple occasions, and it is represented in the ambitious set of economic development goals and objectives in this plan.

Ultimately, the committees, through active discussions and consensus-building exercises, created the following economic development vision and mission statements for the City of New Braunfels.

***Vision Statement:*** *New Braunfels will lead in efforts that support economic growth and workforce development with an appreciation of diversity within the community while increasing the quality of jobs and enhancing its public infrastructure, as well as its natural and cultural resources.*

***Mission Statement:*** *New Braunfels will cultivate a free enterprise approach to growing an economy, where the public and private sectors collaboratively assist in entrepreneurial and business development, business expansion and workforce readiness and sustainability, thereby enhancing the community's quality of life.*

The following pages present a summary of the goals, objectives, strategies and action items of the New Braunfels *Economic Development Strategic Plan*, which have been organized by the following topics.

- Real Estate Development
- Entrepreneurial and Small Business Development
- Tourism, Cultural and Recreational Development
- Workforce Development

**The rationale for each goal below has been summarized. A complete rationale, in addition to performance metrics, is provided in Part II of this report.**

## Real Estate Development

**Goal:** Secure suitable building space to attract and retain primary employers in New Braunfels consistent with the community's identified target industries.

### **Rationale**

After an analysis of the recent trends in business relocation and expansion requests that the Chamber has received, as well as an analysis of the available space for industrial/commercial development in New Braunfels; it is evident that the city has limited existing commercial space that could meet the needs of potential clients. The lack of such facilities hampers New Braunfels' economic growth.

To begin, New Braunfels has limited industrial/commercial sites to offer prospective businesses interested in relocating or expanding in the city. A review of the available sites and facilities in New Braunfels shows that there are currently thirteen industrial sites listed on the New Braunfels Prospector website.<sup>4</sup> Of the thirteen sites, only five had more than 15,000 square feet available. Of those five sites, two sites are located north of New Braunfels (10101 FM 1102 and 7850 Old Bastrop Road). The third site (1851 South Seguin Avenue), a concrete building with limited ceiling height, was built close to forty years ago and previously housed a textile mill. The final two sites listed were not actual sites but drawings of what a developer could potentially build on the sites (451 FM 306 and 2553 Goodwin Lane).

This situation is further exacerbated by the fact that many of the existing sites do not meet the needs of prospective businesses. In particular, the Chamber noted some common factors that deter business relocation and expansions in New Braunfels, including its lack of rail service access. In addition, of the estimated eighty prospects/leads the Chamber received over the last five years, over 60 percent were potential manufacturing firms who required an industrial site with high ceilings (i.e., 25-30 feet).

Recently completed plans and studies recommend that New Braunfels should focus on attracting and developing target industries that offer high-wage jobs, community wealth and overall better quality of place.<sup>5,6</sup> New Braunfels' ability to deliver on its business expansion and attraction campaigns is directly impacted by their ability to offer optimum industrial/commercial spaces for prospective businesses. Notably, the airport has roughly 250 acres that can be developed for non-aeronautical industrial/commercial uses on the southwest side of the airport, providing potential opportunities for commercial development.<sup>7</sup> Therefore, the Investment Committee decided that securing suitable building space to attract and retain primary employers needs to be the focal point of their work.

IEDC reviewed the historical commercial occupancy rates in New Braunfels from 2008-2011 to support the Investment Committee's decision to secure suitable building space to attract and retain primary employers in New Braunfels consistent with the community's identified target industries. Using data accessed through NAI REOC San Antonio, which leases and/or manages more than 6.5 million square feet of commercial property in the region, IEDC concluded that New Braunfels could proactively support

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<sup>4</sup> Accessed May, 2012: <http://www.newbraunfelsprospector.com>.

<sup>5</sup> Goal 38 of the New Braunfels Comprehensive Plan: "Recruit, expand, and retain primary industries that pay above average wages".

<sup>6</sup> Mission Statement of the Build NB Economic Development Marketing Strategy (2011-2012): "Target, attract and provide strategic counsel to identified business prospects with the goal of creating high-wage jobs, community wealth and overall better quality of place".

<sup>7</sup> New Braunfels Regional Airport (BAZ) Business Plan, (2011).

approximately 350,000 square feet of commercial space by the end of 2016.<sup>8</sup> This is a projected average annual growth rate of 5.6 percent in direct occupancy for 2012-2016, which is the same as the historical growth rate for 2008-2011. The table below provides projected square feet of commercial space for 2012-2016.

**Table 1: Projected Growth in Commercial Space for New Braunfels, 2012 - 2016**

Average Percentage Increase of Direct Occupancy Rate based on 2008-2011 rates	5.60%	
Direct Occupied SF in New Braunfels (2011)	1,443,111	
Projected Occupied SF (5.60%) * (2011 Direct Occupied SF)	2012	1,523,944
Projected Occupied SF (5.60%) * (2012 Direct Occupied SF)	2013	1,609,305
Projected Occupied SF (5.60%) * (2013 Direct Occupied SF)	2014	1,699,446
Projected Occupied SF (5.60%) * (2014 Direct Occupied SF)	2015	1,794,638
Projected Occupied SF (5.60%) * (2015 Direct Occupied SF)	2016	1,895,161
Projected SF Growth in New Braunfels from 2012-2016	<b>371,217</b>	

It is anticipated that the process of developing additional industrial/commercial space will be undertaken by a public-private partnership to leverage different types of resources available in the community. A full rationale can be found in Part II of this report.

**Objective:** Facilitate up to 350,000 square feet of suitable building space for primary employers in New Braunfels by 2017 to proactively support targeted industries.

- **Strategy (1):** Inform the public and political stakeholders in New Braunfels of the risks & rewards of a proactive public-private partnership investment policy.
  - **Action Item:** Create a unified communication action plan to articulate the risks and rewards of a proactive investment strategy that facilitates suitable building space for primary employers.
  - **Action Item:** Inform and engage public and political stakeholders building public-private partnerships to support investments for suitable building space.
  - **Action Item:** After soliciting feedback from stakeholders, engage political stakeholders to develop an investment policy regarding the development of suitable building space through public-private partnerships.
  
- **Strategy (2):** Build public-private partnership capabilities by identifying public and private sources of funding to leverage local sources of funds.
  - **Action Item:** Identify qualified public and private sources of funding to facilitate suitable building space to support targeted industries in the City.
  - **Action Item:** Present the Type B Economic Development Board with opportunities to leverage Type B funding to facilitate suitable building space for primary employers.

<sup>8</sup> Accessed July, 2012: <http://www.reocpartners.com>.



- **Strategy (3):** Develop build-ready site strategy to increase the opportunity for expedited business expansion.
  - **Action Item:** Retain a consultant or a site selection firm to develop a build-ready site strategy.
  - **Action Item:** Obtain build-ready site certification or similar to increase the opportunity for expedited occupancy.
  
- **Strategy (4):** Target *Build NB* economic development marketing campaigns around building space for primary employers.
  - **Action Item:** Create and integrate marketing campaigns around available building space for primary employers.
  - **Action Item:** Identify core set of metrics to identify the impact of targeted marketing campaigns.

## Entrepreneurial and Small Business Development

**Goal:** Organize local and regional economic development stakeholders to create micro-loan fund opportunities to grow New Braunfels’s small businesses, to promote job creation and retention, and to enhance access to capital.

### **Rationale**

Small businesses in New Braunfels have limited access to capital, especially micro-loans. Based on the local SBDC reports from counseling sessions with clients seeking capital in the cities of New Braunfels, Seguin and Schertz, on a very broad basis, the New Braunfels Center for Entrepreneurship (TCE)<sup>9</sup> found that approximately 20 percent of their clients are seeking \$10k-\$100K loans, which is approximately fifty-eight of the 290 total clients the SBDC met with in the past six months. It is important to note that the SBDC office opened in October 2011, and it continues to grow within the service area and the number of clients receiving consultation services continues to increase as well. It is only likely that the demand for micro-loans at the TCE will grow in the coming years as more and more businesses learn of their services and apply.

Local bankers and credit union representatives have noted that they receive an estimated five to ten requests per week for micro-loans; however, neither the local banks nor credit unions currently offer micro-loans, which puts further pressure on the TCE to fill the gap in this area. Two micro-loan organizations, Peoplefund (Austin, TX) and Accion Texas (San Antonio, TX), are micro-lenders that offer minimal services in the region. A full rationale can be found in Part II of this report.

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<sup>9</sup> The New Braunfels Center for Entrepreneurship (TCE) is a 501c3 not-for-profit corporation created through a partnership between the City of New Braunfels, the Greater New Braunfels Chamber of Commerce, the Alamo Community College District, Comal ISD and New Braunfels ISD that supports the SBA Small Business Development Center (SBDC) satellite office in New Braunfels.

**Objective:** Build a micro-loan fund of a minimum of \$25,000 annually for New Braunfels businesses.

- **Strategy (1):** Identify partnership opportunities to build a resilient micro-loan fund business model.
  - **Action Item:** Identify and hire a consultant to create a resilient micro-loan fund business model.
  - **Action Item:** Assess existing capacity at the New Braunfels Center for Entrepreneurship (TCE), including staff and allowed financial mechanisms to administer the micro-loan fund.
  
- **Strategy (2):** Identify financial institutions, organizations and individuals that will participate in making investments and contributions to the TCE to raise funds for micro-loan purposes.
  - **Action Item:** Outline the process by which the TCE solicit investments and contributions to raise funds for micro-loan purposes.
  - **Action Item:** Identify and solicit institutions, organizations and individuals to participate in making investments and contributions.
  
- **Strategy (3):** Outline the micro-loan fund availability and application requirements by 2015.
  - **Action Item:** Create eligibility requirements including specific information pertaining to the terms of the agreement, legitimate micro-loan use purposes and other general requirements.
  - **Action Item:** Create marketing and promotional materials to inform New Braunfels businesses of the micro-loan availability.

## Tourism, Cultural and Recreational Development

**Goal:** Facilitate large downtown investment to support tourism and cultural & recreational amenities in New Braunfels.

### **Rationale**

According to an economic impact study on the New Braunfels hospitality industry, recently completed for the Convention and Visitors Bureau (CVB) and sponsored by the Greater New Braunfels Economic Development Foundation, the industry's impact during 2009 was \$469.6 million or approximately 20 percent of the total economic activity in New Braunfels.<sup>10</sup> This includes \$226.5 million in direct economic impact and \$243.1 million in indirect or spinoff output. The primary source of data used to estimate this economic impact is the 2009 state sales tax allocation for the City of New Braunfels. The impact by subcategory is as follows: 65 percent restaurants, 19 percent entertainment, 15 percent lodging and 1 percent transportation. All of these have grown over the last ten years. Clearly, the hospitality industry is a major player in the New Braunfels local economy.

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<sup>10</sup> The New Braunfels Hospitality Economic Impact Assessment, Funded by the Greater New Braunfels Economic Development Foundation, (2009).

The CVB and Chamber of Commerce annually inventory New Braunfels’s cultural, recreational and tourism amenities, provided the amenities are a member of the Chamber of Commerce. There are a large number of attractions/amusement places (45) and entertainment & live music venues (23). To ensure these locations have a constant flow of customers, the City boasts thirteen bed and breakfast inns, twenty-four campgrounds and R.V. parking locations, thirty-two motels and hotels, and forty-three vacation rentals or furnished homes/cabins. However, only one hotel, three bed and breakfast inns, and thirteen vacation rentals or furnished homes/cabins are actually located downtown.<sup>11</sup>

The hotel/motel occupancy factbook provides data on the number of rooms available and the gross revenue over the last few years. The number of rooms available in New Braunfels has grown steadily except from 2005 to 2006 where there was a slight decrease in the number of rooms available. In addition, the gross revenue from hotel rooms has also grown steadily except from 2001 to 2002 and from 2007 to 2008. The table below displays the data annually from 1998 to 2010. Please note that the annual report for 2011 was not available at the time of publication.

**Table 1: Hotel Rooms and Change in Revenues, 2005 - 2010<sup>12</sup>**

YEAR	Number of Rooms Available in New Braunfels (78130 & 78132)	GROSS REVENUE
1998	1,564	\$19,268,629.00
1999	1,657	\$20,525,182.00
2000	1,699	\$22,095,295.00
2001	1,724	\$23,784,043.00
2002	1,766	\$22,057,923.00
2003	1,801	\$25,265,327.00
2004	1,909	\$25,476,193.00
2005	1,961	\$28,541,322.00
2006	1,950	\$31,338,368.00
2007	1,988	\$33,024,103.00
2008	2,059	\$35,743,117.00
2009	2,288	\$31,952,121.00
2010	2,486	\$43,155,604.00

In spite of this available capacity and the entertainment resources available locally, according to the CVB New Braunfels does not qualify for approximately 42 percent of all Social, Military, Educational, Religious and Fraternal Special Meetings (SMERF) market bids or Association bids due to the lack of a headquarter hotel. Therefore, there is an opportunity to attract additional entertainment activity to New Braunfels through the development of a downtown hotel. A full rationale can be found in Part II of this report.

**Objective:** Facilitate a downtown hotel adjacent to the New Braunfels Civic Center with a capacity of 130 to 150 rooms and a minimum of 5,000 square feet of meeting space.

<sup>11</sup> Greater New Braunfels Chamber of Commerce Membership Directory, (2012).

<sup>12</sup> Texas Hotel Performance Factbook Quarterly and Annual – 2005-2011. Data includes New Braunfels Zip Codes 78130 & 78132. [www.sourcestrategies.org](http://www.sourcestrategies.org).

- **Strategy (1):** Target available properties for development through financial feasibility and design studies.
  - **Action Item:** Create an economic impact model to evaluate the estimated cost & economic impact of developing a downtown hotel.
  - **Action Item:** Work with public, political and private stakeholders to develop a remediation plan for properties identified in hotel market feasibility study that conform to the stated objective of facilitating a downtown hotel with a capacity of 130 to 150 rooms and a minimum of 5,000 square feet of meeting space.
  - **Action Item:** Complete urban design, architectural concepts and design guidelines to clearly illustrate the proposed project with total development budgets and project schedules.
  
- **Strategy (2):** Build public-private partnership capabilities by identifying public and private sources of funding to leverage local sources of funds to construct the downtown hotel.
  - **Action Item:** Develop public-private finance plans that explore ownership, investment, development and facility management scenarios.
  - **Action Item:** Solicit a developer through an RFP process.

## Workforce Development

**Goal:** Foster a robust workforce readiness environment in New Braunfels.

### **Rationale**

Workforce readiness is an important factor for New Braunfels area businesses. The subject of hard skills and soft skills was discussed at length in committee meetings, specifically in regards to the pipeline of New Braunfels workers coming through the local educational system. A twenty-five member Mayor’s Higher Education Task Force was established in 2010 to carefully examine the issues and challenges surrounding workforce readiness and to devise solutions. Although the task force is continuing its work, this strategic plan aims to fully support their efforts.

A recently completed Clarus Study, which was the driving force behind the Mayor’s Higher Education Task Force initiatives, outlined the major education market changes from 2000 to 2010, the major market issues for the CTTC, and recommendations for each market segment examined – adults, employers, and high school students. The study noted that after increasing enrollments for the last six years, the CTTC is almost at maximum utilization of their physical facility. Specifically, the study recommended “adding certifications and one-year certificates to the program offerings at the Center, and to start the accreditation process for community college status to offer associate degrees at the Center.”<sup>13</sup> The report also estimated that building 25,000 square feet of additional space for labs and training facilities would cost roughly \$6.3 million.<sup>14</sup>

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<sup>13</sup> The Clarus Corporation Study. Prepared for Higher Education Task Force of The Greater New Braunfels Chamber of Commerce, Inc, (2010).

<sup>14</sup> *ibid*

As an example of the need for additional training programs in New Braunfels, the Texas Comptroller of Public Accounts, Local Government Assistance and Economic Development Division used data collected from the Economic Modeling Specialists, Inc. (EMSI) and the Texas Comptroller of Public Accounts to identify the health care sector's influence on total employment, which has been steadily increasing from 7.9 percent of total area employment in 2001 to 9.9 percent in 2010.<sup>15</sup> The report noted that over a ten-year period (2001 to 2010) employment growth in the New Braunfels-area health care and social assistance sector has grown at a faster pace than the overall area economy. From 4,252 workers in 2001, employment in this sector has added 2,641 workers to reach an estimated 6,893 in 2010. This 62 percent increase in employment has overshadowed the 29 percent increase in overall area employment for the same time period.

At the same time, an analysis of curriculum currently taught to high school students by the local school districts identified certain classes at Comal ISD that could be moved to the eighth grade level, opening up more elective space at the high school level to foster technical and career readiness training. In particular, in the Comal ISD, 1,300 students out of 2,100 are enrolled in career technology clusters, which include highly technical educational offerings that could feed directly into CTTC's curriculum expansion.<sup>16</sup>

The local manufacturing business associations have also been studying the issue of worker training and integrated technical training curriculum in New Braunfels and throughout the region. As a resource speaker, Mr. Klaus D. Weiswurm—who is CEO of the manufacturing facility ITM, Chair of the Alamo Area Academies and a member of the manufacturing associations in New Braunfels and San Antonio—shared that there are currently (as of July 2012) 2,500 vacancies in manufacturing in San Antonio, that 10-20 percent of the workforce is retiring in 5-10 years and that 80 percent of incoming college freshmen need remediation.<sup>17</sup> Mr. Weiswurm also mentioned that the Academies experienced difficulties in locating appropriate employment opportunities for their students because of two primary reasons. First, companies are unsure of the legal and regulatory challenges associated with hiring a person under the age of eighteen. This could potentially dissuade willing participants. Secondly, there is also a direct and indirect cost of hiring younger employees that may need mentoring and more immediate supervision from other employees.

The issue of an aging workforce in New Braunfels was examined in detail by the New Braunfels Talent Project (June 2009), which is a data-driven analysis of New Braunfels's efforts to meet future employment demands of an aging workforce. It recommends continuing to improve access to higher education and professional training opportunities.<sup>18</sup> A full rationale can be found in Part II of this report.

**Objective:** Act upon the Mayor's Higher Education Task Force initiatives to expand educational opportunities.

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<sup>15</sup> A Preliminary Analysis of the Importance and Impact of the Health Care and Social Assistance Sector on the New Braunfels Area Economy, (2010).

<sup>16</sup> Accessed September, 2012:

[http://www.comalisd.org/Curriculum\\_Instruction/Career\\_Technology/PDF/CTE\\_High\\_School\\_Course\\_Guide\\_2012-2013\\_Final.pdf](http://www.comalisd.org/Curriculum_Instruction/Career_Technology/PDF/CTE_High_School_Course_Guide_2012-2013_Final.pdf).

<sup>17</sup> Information and data points reflect multiple studies undertaken by the San Antonio Manufactures Association (SAMA), New Braunfels Manufacturers Association (NBMA), (2011-2012), in which Mr. Weiswurm was involved.

<sup>18</sup> The New Braunfels Talent Project. Prepared by TIP Strategies, (2009).

- **Strategy (1):** Expand the Alamo Colleges Central Texas Technology Center (CTTC).
  - **Action Item:** Expand the physical size of CTTC to accommodate increased enrollment based on Clarus Study enrollment projections and curriculum needs.
  - **Action Item:** Identify specific technical and career education programs that the Comal ISD, New Braunfels ISD, Alamo Colleges, New Braunfels Industrial Development Corporation and employers can collaborate on to expand jobs in New Braunfels.
  - **Action Item:** Develop two (2) additional post-secondary certification programs to support the growth in the City’s target industries.
  
- **Strategy (2):** Organize a quarterly meeting of private sector employers and education providers to communicate workforce skills shortages pervasive in existing industries to identify workforce training needs.
  - **Action Item:** Recruit Howard Payne University & CTTC faculty and administrative staff who can attend quarterly meetings to address workforce skills shortages.
  - **Action Item:** Integrate continuing education curricula development processes (e.g., Howard Payne University’s health care and computer information systems (CIS) baccalaureate programs) with needs of New Braunfels’s private sector employers.
  
- **Strategy (3):** Build on CTTC, Comal ISD and New Braunfels ISD efforts, in partnership with the New Braunfels Manufacturing Association (NBMA) and others, to identify and encourage meaningful employment experiences for students enrolled in technical and career education and secondary education programs.
  - **Action Item:** Identify one-stop shop opportunities with Workforce Solutions Alamo to create an employer-employee internship and employee information exchange program.
  - **Action Item:** Identify the legal and regulatory hurdles for employing minors in an industrial setting and share the information in an accessible format with the New Braunfels’s employers and technical community.
  - **Action Item:** Develop marketing and promotional materials for one-stop shop opportunity to engage private sector employers and students in internship exchange program.
  - **Action Item:** Enhance linkages between the NBMA, ISDs and CTTC to create a partnership approach to developing technical and career education curricula in New Braunfels.

## Part 2. Economic Development Strategic Plan

### Introduction

#### **Background & Methodology**

In January 2012, the City of New Braunfels retained the services of the International Economic Development Council (IEDC), a membership organization of over 4,200 economic development professionals, to facilitate the economic development strategic planning effort. IEDC is a non-for-profit membership organization dedicated to helping economic developers do their job more effectively and raising the profile of the profession. IEDC's educational and technical assistance offerings are designed to help its members create more high-quality jobs, develop more vibrant communities, and generally improve the quality of life in their regions.

The City of New Braunfels *Economic Development Strategic Plan* is the result of an eight-month study and planning process that included the involvement of many city and regional stakeholders. The process included an extensive economic overview and analysis of the City's economic development delivery system and it nurtured a bottom-up approach to devise strategies for pertinent issues facing New Braunfels in their path to sustained growth and economic prosperity.

The economic development strategic planning process was organized and led by New Braunfels Mayor, The Honorable Gale Pospisil. The Mayor ensures that the topics of investment, entrepreneurial and small business development, tourism, cultural and recreation development, infrastructure and sustainability and workforce development are regularly reviewed and are the focus of the Mayor's Annual Economic Development Summit. IEDC was invited to present at the Summit in fall 2011 and in winter 2012, and IEDC was retained to facilitate the economic development strategic planning process on behalf of the Mayor and her constituents. IEDC staff biographies can be found in Appendix G of this report.

With the help of the City and Chamber staff, the Mayor selected close to sixty New Braunfels residents to drive the planning process, which commenced in February 2012. The planning participants were organized into the following four committees, which performed the majority of the work to develop the vision, mission, goals, objectives, strategies and action items found in New Braunfels' strategic plan.

- **Investment Committee**  
This committee was charged with examining local/regional innovation clusters to identify business attraction/relocation prospects, inform economic development marketing strategies and identify financial resources for commercial/industrial development.
- **Entrepreneurial and Small Business Development Committee**  
This committee was charged with examining the needs of existing small businesses, current entrepreneurship initiatives and available financing options for start-ups.
- **Services Committee**  
This committee was charged with examining the community's sustainability initiatives, current infrastructure & utility needs and cultural & recreational services.

- **Workforce Resources Committee**

This committee was charged with examining the areas of workforce readiness & shortages, housing availability, existing workforce training providers and opportunities to expand post-secondary education offerings.

A full list of committee members can be found in Appendix A.

A Chairperson facilitated committee discussions and responded to member requests for additional information pertaining to the charge of the committee. The committee chairs also served on the Governance committee, which was comprised of the New Braunfels Mayor, The Honorable Gale Pospisil, City Councilmember Michael Ybarra, Chamber of Commerce President Michael Meek, City Manager Michael Morrison, and the City's Development Coordinator Jeffrey Jewell.

This governance structure allowed for regular exchange of information between all committees (through the committee chairs) so that committees were not developing ideas and strategies in narrow silos. This free exchange of information was facilitated through bi-weekly conference calls, monthly onsite meetings and through a regular and spontaneous exchange of emails. This governance structure also reduced redundancies in information dissemination and eliminated mission creep with respect to each committee's economic development charge. Equally importantly, the Governance Committee kept the City's elected leadership informed of the planning process every step of the way.

A Staff Leadership Team, which included the Chamber President, City Manager, City Development Coordinator and IEDC, was also organized to create a constant feedback loop between the City, Chamber and IEDC. Team meetings were scheduled bi-weekly, in addition to monthly meetings held onsite. This Team supported the work of the committees, reviewed the economic development delivery system in New Braunfels, and assessed its capacity to achieve the proposed goals, objectives, strategies and action items emanating from this planning process. The Team identified what financial and technical resources could be brought to the Committee's attention to close knowledge gaps and inform the planning participants of the strong economic development linkages in New Braunfels.

With the help of City Manager Michael Morrison and Chamber President Michael Meek, the Mayor selected close to sixty New Braunfels residents to drive the planning process, which commenced in February 2012. Below are some statistics that represent the level of effort that went into this strategic planning process.

- The process lasted 8 months.
- 46 committee meetings were held.
- Committee members spent an estimated 2,148 total hours in meetings.
- 44 resource speakers were invited to share knowledge and expertise with the committees.
  - 73% of resource speakers were New Braunfels residents.
  - Regional resource speakers included representatives from organizations such as:
    - The Texas Governor's Office,
    - The Texas Economic Development Council (TEDC),
    - Howard Payne University, and
    - The City of San Antonio, Office of Environmental Policy.

IEDC began the process by conducting a site-visit to New Braunfels to review and identify economic programs, resources and conditions in the city. Throughout the process, IEDC organized and met with city and county government officials, key economic development and businesses leaders, and other



community stakeholders. Research and analysis was an integral part of this process. This included examination of New Braunfels' strengths, weaknesses, opportunities and threats (SWOT Analysis), an economic & demographic assessment, a review of New Braunfels economic development organizations (EDOs) and programs, and the sources of economic development funding and its availability. This information was compiled into brief topical reports and shared with the committees during regularly scheduled committee meetings. The complete reports can be found in Part Four of this report.

A few key existing feasibility and economic impact studies for the City of New Braunfels provided guidance to certain sections of this plan, including the formation of specific goals, objectives, strategies and action items. These are appropriately cited in the report, and include:

- *New Braunfels Comprehensive Plan (City Council & Staff Updated Version – 2006)*
- *Downtown Implementation Plan (Torti Gallas and Partners, Inc., BWM Group, Capitol Market Research, TND Engineering – 2010)*
- *Center for Entrepreneurship Plan (The University of Texas at San Antonio Institute for Economic Development – 2012)*
- *Build NB Marketing Plan (New Braunfels Chamber of Commerce – 2011)*
- *New Braunfels Regional Airport (BAZ) Business Plan (R.A. Wiedemann & Associates, Inc. in association with KSA Engineers, Inc. – 2011)*
- *Comal County Tourism Industry Economic Impact Assessment (TXP, Inc. – 2007)*
- *New Braunfels Hospitality Economic Impact Assessment (Impact Data Source – 2009)*
- *New Braunfels Talent Project (TIP Strategies – 2009)*
- *New Braunfels Amateur Sports Feasibility and Impact Study (TXP, Inc. – 2010)*
- *New Braunfels Sports Complex Feasibility and Impact Study (Conventions, Sports & Leisure International (CSL) – 2012)*
- *Clarus Corporation Study on Educational Market Assessment for Comal and Guadalupe Counties (Clarus Corporation – 2010)*

These plans, studies and reports offered an important foundation from which to build effective and comprehensive economic development strategies. Please review Appendix D for more information about these plans, studies and reports.

From March through July, IEDC organized bi-weekly committee meetings and invited community and regional economic development experts and stakeholders to serve as resource speakers to each committee. IEDC also facilitated onsite meetings in the months of April, May, June and July to present economic analysis reports to each committee and gain feedback. An IEDC representative staffed every committee meeting alongside Chamber President Michael Meek and City Development Coordinator Jeffrey Jewell. Comments and continued research were integrated to develop the draft *Economic Development Strategic Plan*. The Governance Committee reviewed and commented on the draft plan in August 2012.

The intent of the City of New Braunfels *Economic Development Strategic Plan* is to identify specific actions and programs to enable the City of New Braunfels to achieve their stated vision and mission:

***Vision Statement:*** *New Braunfels will lead in efforts that support economic growth and workforce development with an appreciation of diversity within the community while increasing the quality of jobs and enhancing its public infrastructure, as well as its natural and cultural resources.*

***Mission Statement:*** *New Braunfels will cultivate a free enterprise approach to growing an economy, where the public and private sectors collaboratively assist in entrepreneurial and business development, business expansion and workforce readiness and sustainability, thereby enhancing the community's quality of life.*

To achieve their vision and mission, the plan seeks to build upon the city's economic assets and overcome its challenges. To do so, the City of New Braunfels economic development delivery system needs to increase employment and educational opportunities, facilitate the growth and expansion of industry and business, improve the quality of life of all residents, grow the tax base, further promote and develop the downtown and position the city as a great place to live, work and develop wealth.

The Strategic Plan is organized by areas of economic development focus as identified by the committees. Each Committee identified one or two goals followed by objectives, strategies and action items for implementation. The Governance Committee members considered each committee's proposed goals and objectives and voted to select the high priority items that are presented below. Additional goals and objectives along with supporting information are presented in Appendix B.

Each action item includes defined performance measures and benchmarks along with the key agency or agencies to oversee implementation. The strategies presented in this plan are directives, and as such the plan is written for adoption in its current form.

The plan sets forth many economic development goals and objectives for the City to pursue and apply. The performance measures present an aggressive course of action to achieve the stated objectives in the plan. The most important and necessary action to achieve the presented objectives is the immediate adoption of this plan.

## Vision and Mission Statements

A community's vision statement is a concise proclamation about where the community wants to be in the definable future. It provides the foundation upon which all economic development activities will be built. Vision statements present an image of future successes based on what is realistically attainable.<sup>19</sup> Below is a short list of what a vision statement should encapsulate.<sup>20</sup>

- An ideal & unique view of the future
- Flows from the knowledge and experience of community leaders
- Represents an attractive and desirable target
- Must be clear and perceived as attainable
- Gives a sense of purpose to the actions of the community and its organizations

The Governance Committee met on multiple occasions to discuss the vision for New Braunfels' economic development delivery system. In recognition of the four committees' ongoing efforts throughout the planning process, the Governance Committee constructed the following vision to be adopted by all economic development stakeholders.

***Vision Statement:*** *New Braunfels will lead in efforts that support economic growth and workforce development with an appreciation of diversity within the community while increasing the quality of jobs and enhancing its public infrastructure, as well as its natural and cultural resources.*

A mission is a long-term statement of purpose that differentiates the group from others in its field, identifies the areas in which it is/will be active, and reflects the guiding principles and priorities of its leadership. The statement guides the economic development process and it provides a clear purpose for constituents and members.<sup>21</sup> The Governance Committee met on multiple occasions to discuss the mission for New Braunfels' economic development delivery system. The following mission statement was constructed to define the purpose and primary economic development activities in New Braunfels. The mission is to be adopted by all economic development stakeholders.

***Mission Statement:*** *New Braunfels will cultivate a free enterprise approach to growing an economy, where the public and private sectors collaboratively assist in entrepreneurial and business development, business expansion and workforce readiness and sustainability, thereby enhancing the community's quality of life.*

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<sup>19</sup> Kolzow, David, IEDC Strategic Planning Training Course PowerPoint Presentation, (2000).

<sup>20</sup> International Economic Development Council (IEDC) Strategic Planning Training Course Manual. Washington, D.C. pg. 125. September, (2011).

<sup>21</sup> International Economic Development Council (IEDC) Strategic Planning Training Course Manual. Washington, D.C. pg. 126. September, (2011).

## Economic Development Goals, Objectives, Strategies and Action Items

The following *Economic Development Strategic Plan* goals, objectives, strategies and action items represent the directives for New Braunfels that the team of local leaders and community representatives agreed upon. The Governance Committee has closely examined these strategies and agreed that the proposed work could be accomplished with the economic development resources available in New Braunfels.

The strategic plan is organized by the following topics.

- Real Estate Development
- Entrepreneurial and Small Business Development
- Tourism, Cultural and Recreational Development
- Workforce Development

### Real Estate Development

#### **Goal**

Secure suitable building space to attract and retain primary employers in New Braunfels consistent with the community's identified target industries.

#### **Objective**

Facilitate up to 350,000 square feet of suitable building space for primary employers in New Braunfels by 2017 to proactively support targeted industries.

#### **Rationale**

After an analysis of the recent trends in business relocation and expansion requests that the Chamber has received, as well as an analysis of the available space for industrial/commercial development in New Braunfels, it is evident that the city has limited existing commercial space that could meet the needs of potential clients. The lack of such facilities hampers New Braunfels' economic growth.

To begin, New Braunfels has limited industrial/commercial sites to offer prospective businesses interested in relocating or expanding in the city. A review of the available sites and facilities in New Braunfels shows that there are currently thirteen industrial sites listed on the New Braunfels Prospector website.<sup>22</sup> Of the thirteen sites, only five had more than 15,000 square feet available. Of those five sites, two sites are located north of New Braunfels (10101 FM 1102 and 7850 Old Bastrop Road). The third site (1851 South Seguin Avenue), a concrete building with limited ceiling height, was built close to forty years ago and previously housed a textile mill. The final two sites listed were not actual sites but drawings of what a developer could potentially build on the sites (451 FM 306 and 2553 Goodwin Lane).

This situation is further exacerbated by the fact that many of the existing sites do not meet the needs of prospective businesses. In particular, the Chamber noted some common factors that deter business relocation and expansions in New Braunfels, including its lack of rail service access. In addition, of the estimated eighty prospects/leads the Chamber received over the last five years, over 60 percent were potential manufacturing firms who required an industrial site with high ceilings (25-30 feet).

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<sup>22</sup> Accessed May, 2012: <http://www.newbraunfelsprospector.com>.

Recently completed plans and studies recommend that New Braunfels should focus on attracting and developing target industries that offer high-wage jobs, community wealth and overall better quality of place. The New Braunfels Comprehensive Plan includes a goal to “recruit, expand and retain primary industries that pay above average wages.”<sup>23</sup> Furthermore, the Mission Statement of the Build NB Economic Development Marketing Strategy (2011-2012) is to “target, attract and provide strategic counsel to identified business prospects with the goal of creating high-wage jobs, community wealth and overall better quality of place.”<sup>24</sup> New Braunfels’ ability to deliver on these goals is directly impacted by its ability to offer optimum industrial/commercial spaces for prospective businesses. Notably, the airport has roughly 250 acres that can be developed for non-aeronautical industrial/commercial uses on the southwest side of the airport. This land presents an opportunity for commercial development.<sup>25</sup>

An analysis of the existing economic development organizations shows that New Braunfels has many of the pieces necessary to deliver on the vision to attract higher wage jobs in targeted industries. Investment in building additional commercial space should move the community closer to realizing that vision.

- *Build NB* and GNBEDF offer corporate support, to businesses looking to create new jobs in the area, both through the attraction of new businesses and the expansion of existing businesses. *Build NB* is a public-private partnership that is supported by the City Government, Chamber of Commerce, New Braunfels Industrial Development Corporation, New Braunfels Utilities, Comal County and a number of New Braunfels employers. The Greater New Braunfels Economic Development Foundation (GNBEDF) is a private foundation partnering with *Build NB*.
- Workforce training programs can be delivered through NBISD's Learning Center, Comal ISD and the Central Texas Technology Center (CTTC). CTTC opened in 2004 at New Braunfels's municipal airport and offers workforce training solutions, in addition to freshman- and sophomore-level courses, that allow students to carry out the first two years of a degree program in New Braunfels before transferring elsewhere to complete a degree.
- Furthermore, in spring 2012 Howard Payne University, based in Brownwood, Texas, announced it will be making a long-term commitment to the City of New Braunfels. The university will be building a multimillion dollar campus whose educational offerings will include courses in computer information systems, nursing, engineering and hospitality and tourism. It will take three years for Howard Payne to break ground on the new campus, but it will hold classes in the city at an alternate location in the meantime. Additionally, Wayland Baptist University indicated in August 2012 that it will be opening a satellite campus in New Braunfels. Texas Lutheran University (TLU) is located in Seguin, Guadalupe County, about 15 miles from downtown New Braunfels. TLU offers four-year degree programs. Several other colleges and universities are within an hour's drive of New Braunfels, including Texas State University in San Marcos (about 18 miles from New Braunfels); the University of Texas and St. Edward's University in Austin (about 50 miles); and several San Antonio-area schools including the University of Texas at San Antonio, Trinity University, St. Mary's University, University of the Incarnate Word and several

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<sup>23</sup> Goal 38 of the New Braunfels Comprehensive Plan: “Recruit, expand, and retain primary industries that pay above average wages”.

<sup>24</sup> Build NB Economic Development Marketing Strategy, (2011-2012).

<sup>25</sup> New Braunfels Regional Airport (BAZ) Business Plan, (2011).

Alamo Colleges campuses (all about 30 to 40 miles).

- The city's highway infrastructure was reviewed to ensure greater traffic and load capacity would not stifle business retention, expansion and attraction opportunities. There are two interstate highways in New Braunfels: Interstate Highway 35, which runs north-south, and Interstate 10, which runs east-west. Texas State Highway 46 serves as a connector between the two interstates. The city's Capital Improvement Program (CIP) sets infrastructure priorities and identifies funding mechanisms to build and maintain the city's infrastructure and services. According to Assistant City Manager Robert Camareno, the city's future traffic flow and drainage capacities are a top priority and are actively addressed in the city's CIP.
- New Braunfels Regional Airport is operated by the City of New Braunfels under an Airport Enterprise Fund. Recognizing the airport's potential, as well as its current economic impact, the city invested in an Airport Business Plan designed to evaluate a number of potential operational and developmental scenarios and provide the City of New Braunfels with decision-making information. The plan also uncovered that the multiplier effects of the direct spending impacts of airport activity annually supports 187 full-time jobs, \$12.3 million in income, \$21.7 million in total economic output and \$1.6 million in state and local taxes.<sup>26</sup> According to Airport Director Vinicio "Lenny" Llerena, C.M., ACE, to prepare for future growth the 2010 – 2013 TxDOT Capital Improvement Program (CIP) has listed a total of \$11,226,900 in funding for the BAZ. The projects in the CIP are associated with overlays and an extension of Runway 13-31 and associated taxiways, airport drainage improvements, signage, lighting and electrical work, and T-Hangar development. In February 2012, funds were approved to provide infrastructure to the new taxi-apron. Major utility infrastructure construction will be completed in autumn 2012 to service the hangar pad sites adjacent to the new taxiway apron. Sewer, electricity and water infrastructure will be sized to accommodate nearly all sizes and types of corporate hangars. These infrastructure upgrades will equip the New Braunfels economic development team with a regional anchor that can be leveraged in business retention, expansion and attraction campaigns.
- New Braunfels Utilities (NBU) reported positive growth in demand every year, and its recent five-year planning efforts indicated a need to add infrastructure based on higher load-level demand. Importantly, both the rapid use of water supply and the cost of water in New Braunfels may adversely affect economic development in the future. The population in the region continues to expand as does the need to find new water sources to support them. The economic development team is cognizant of the region's water issues, and its targeted industries for business recruitment and expansion are low-load water users.
- The Investment Committee heard from two speakers that acknowledged that New Braunfels has a well-regarded economic development delivery system. Mr. Carlton Schwab, President & CEO of the Texas Economic Development Council, and Ms. Alejandra Bueno, South Texas Regional Representative of the Office of the Governor, both gave presentations on best practices in business retention, expansion and recruitment. Mr. Schwab noted that New Braunfels is regionally connected through the 10-35 Economic Development Alliance and the Greenbelt Coalition, which are two regional organizations that could positively affect economic development in New Braunfels. Mr. Schwab also noted that New Braunfels is part of the Team

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<sup>26</sup> New Braunfels Regional Airport (BAZ) Business Plan, (2011).

Texas campaign, which represents close to seventy-five Texas communities that are marketed by way of international conferences and directly to site consultants. Ms. Alejandra Bueno also used a PowerPoint presentation to lead the Committee through the State of Texas economic development resources that are available to communities such as New Braunfels.

To support the Investment Committee’s decision to secure suitable building space to attract and retain primary employers in New Braunfels consistent with the community’s identified target industries, IEDC reviewed the historical commercial occupancy rates in New Braunfels from 2008-2011. Using data accessed through NAI REOC San Antonio, which leases and/or manages more than 6.5 million square feet of commercial property in the region, IEDC concluded that New Braunfels could proactively support approximately 350,000 square feet of commercial space by the end of 2016.<sup>27</sup> This is a projected average annual growth rate of 5.6 percent in direct occupancy for 2012-2016, which is the same as the historical growth rate for 2008-2011. The table below provides projected square feet of commercial space for 2012-2016.

**Table 2: Projected Growth in Commercial Space for New Braunfels, 2012 - 2016**

Average Percentage Increase of Direct Occupancy Rate based on 2008-2011 rates	5.60%	
Direct Occupied SF in New Braunfels (2011)	1,443,111	
Projected Occupied SF (5.60%) * (2011 Direct Occupied SF)	2012	1,523,944
Projected Occupied SF (5.60%) * (2012 Direct Occupied SF)	2013	1,609,305
Projected Occupied SF (5.60%) * (2013 Direct Occupied SF)	2014	1,699,446
Projected Occupied SF (5.60%) * (2014 Direct Occupied SF)	2015	1,794,638
Projected Occupied SF (5.60%) * (2015 Direct Occupied SF)	2016	1,895,161
Projected SF Growth in New Braunfels from 2012-2016	<b>371,217</b>	

It is anticipated that a public-private partnership will undertake the process of developing additional industrial/commercial space in order to leverage different types of resources available in the community.

**Strategies**

*Strategy (1): Inform the public and political stakeholders in New Braunfels of the risks & rewards of a proactive public-private partnership investment policy.* The City and the Chamber will create a single communication action plan to articulate the risks and rewards of a proactive investment policy that facilitates suitable building space for primary employers. The City and Chamber will inform and engage public and political stakeholders to build public-private partnerships to support those investments. The City and Chamber will facilitate the development of an investment policy that will be presented to the City’s leadership.

*Strategy (2): Build public-private partnership capabilities by identifying public and private sources of funding to leverage local sources of funds.* The City and Chamber will identify qualified public and private sources of funding to facilitate suitable building space to support targeted industries in the City. The City

<sup>27</sup> Accessed July, 2012: <http://www.reocpartners.com>.

and Chamber will present the Type B Economic Development Board with opportunities to leverage Type B funding to facilitate suitable building space to support targeted industries.

*Strategy (3): Develop build-ready site strategy to increase the opportunity for expedited business expansion.* Once the suitable building space has been identified, the Chamber should retain a consultant or a site selection firm to develop a build-ready site strategy. This strategy can include shovel-ready certification or similar tool to increase the opportunity for expedited occupancy.

*Strategy (4): Target Build NB economic development marketing campaigns around building space for primary employers.* In partnership with the City and the Greater New Braunfels Economic Development Foundation, the Chamber should create and integrate marketing campaigns around building space for primary employers through *Build NB*. Similarly, the Chamber should identify a core set of metrics to identify the impact of targeted marketing campaigns.

Below are specific action items to implement the above strategies along with estimated completion dates and lead agency. Priority action items are marked with an asterisk (\*).

<b>Action Items</b>	<b>Completion Date</b>	<b>Lead Agency</b>
Create a unified communication action plan to articulate the risks and rewards of a proactive investment strategy that facilitates suitable building space for primary employers.*	1Q 2013	Chamber
Inform and engage public and political stakeholders building public-private partnership to support investments for suitable building space.*	2Q 2013	City
After soliciting feedback from stakeholders, engage political stakeholders to develop an Investment policy regarding the development of suitable building space through public-private partnerships.*	2Q 2013	City
Identify qualified public and private sources of funding to facilitate suitable building space to support targeted industries in the City.*	3Q 2013	Chamber
Present the Type B Economic Development Board with opportunities to leverage Type B funding to facilitate suitable building space for primary employers.*	4Q 2013	City
Retain a consultant or a site selection firm to develop a build-ready site strategy.	2Q 2014	Chamber
Obtain build-ready site certification or similar tools to increase the opportunity for expedited occupancy.	3Q 2014	Chamber
Create and integrate marketing campaigns around available building space for primary employers.	1Q 2015	Chamber
Identify a core set of metrics to identify the impact of targeted marketing campaigns.	1Q 2015	Chamber

\*Priority



## Performance Measures Schedule by Economic Development Focus Area

The following performance measures include a specified completion date or benchmark that is directly related to the task described. Key supporting organizations have been identified to take part in each task, by which the lead implementing agency will be held responsible to completing each task.

Lead Implementing Agency	Task	Completion Date	Supporting Organizations
<b>Real Estate Development</b>			
Chamber	Create a unified communication action plan to articulate the risks and rewards of a proactive investment strategy that facilitates suitable building space for primary employers.*	1Q 2013	City, EDF, Build NB
City	Inform and engage public and political stakeholders building public-private partnership to support investments for suitable building space.*	2Q 2013	Chamber, EDF, Build NB
City	After soliciting feedback from stakeholders, engage political stakeholders to develop an Investment policy regarding the development of suitable building space through public-private partnerships.*	2Q 2013	Chamber, EDF, Build NB
Chamber	Identify qualified public and private sources of funding to facilitate suitable building space to support targeted industries in the City.*	3Q 2013	City, EDF, Build NB
City	Present the Type B Economic Development Board with opportunities to leverage Type B funding to facilitate suitable building space for primary employers.*	4Q 2013	Chamber, EDF, Build NB
Chamber	Retain a consultant or a site selection firm to develop a build-ready site strategy.	2Q 2014	City, EDF, Build NB
Chamber	Obtain build-ready site certification or similar tools to increase the opportunity for expedited occupancy.	3Q 2014	City, EDF, Build NB
Chamber	Create and integrate marketing campaigns around available building space for primary employers.	1Q 2015	City, EDF, Build NB
Chamber	Identify a core set of metrics to identify the impact of targeted marketing campaigns.	1Q 2015	City, EDF, Build NB

*\*Priority*

## Entrepreneurial and Small Business Development

### Goal

Organize local and regional economic development stakeholders to create micro-loan fund opportunities to grow New Braunfels's small businesses, to promote job creation and retention, and to enhance access to capital.

### Objective

Build an annual micro-loan fund of a minimum of \$25,000 for New Braunfels businesses.

### Rationale

Mr. Morrison Woods, Director of the Small Business Development Center at the University of Texas at San Antonio, provided an overview of the SBDC services offered in New Braunfels, which primarily focus on access to capital, contracting and procurement opportunities, and exporting initiatives. Mr. Woods used Reference USA and U.S. Census data to explain the current entrepreneurial and small business environment in Comal County and the greater region. Some of the concerns that the SBDC hears on a regular basis that stifle job creation include trouble finding qualified employees, access to capital and the permitting and regulatory environment in some cities.

The Entrepreneurial and Small Business Development Committee invited multiple financial institutions to speak to the committee regarding the availability of credit in New Braunfels. Mr. Barry Williams, CEO of First State Bank, and Mr. Todd Harper, Senior Vice President of First Commercial Bank, N.A., reassured the Committee that local banks in New Braunfels have cash to lend. However, banks have strict credit standards that need to be met in addition to a regulatory environment that constrains specific lending criteria. When asked of the possibility of expanding micro-loan opportunities in the \$10K-\$30K range, the bankers were open to considering the idea if the right organizational structure was in place.

Mr. Howard Baker, Senior Vice President, Chief of Staff of Security Service Federal Credit Union and Mr. Kenan Pankau, SBA Program Manager of Randolph Brooks Federal Credit Union, reiterated the fact that money is available to lend, but finding borrowers that meet the core requirements for a loan is difficult. Both the local bankers and credit union representatives have noted that they receive an estimated five to ten requests per week for micro-loans; however neither the local banks nor credit unions currently offer micro-loans, which further puts pressure on the TCE to fill the gap in this area. Two micro-loan organizations, Peoplefund (Austin, Texas) and Accion Texas (San Antonio, Texas), are micro-lenders that offer minimal services in the region.

Small businesses in New Braunfels have limited access to capital, especially micro-loans. Based on the local SBDC reports from counseling sessions with clients seeking capital in the cities of New Braunfels, Seguin and Schertz, on a very broad basis, the New Braunfels Center for Entrepreneurship (TCE)<sup>28</sup> found that approximately 20 percent of their clients are seeking \$10k-\$100K loans, which is approximately fifty-eight of the total 290 clients the SBDC met with in the past six months. It is important to note that

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<sup>28</sup> The New Braunfels Center for Entrepreneurship (TCE) is a 501c3 not-for-profit corporation created through a partnership between the City of New Braunfels, the Greater New Braunfels Chamber of Commerce, the Alamo Community College District, Comal ISD and New Braunfels ISD that supports the SBA Small Business Development Center (SBDC) satellite office in New Braunfels.

the SBDC office opened in October 2011, and that it continues to grow within the service area. The number of clients receiving consultation services continues to increase as well. Therefore, it is likely that the demand for micro-loans at the TCE will grow in the coming years as more businesses learn of their services and submit applications.

In studying this goal, the Committee also wanted to understand if there was an equity aspect to building a micro-loan fund for New Braunfels residents. According to the U.S. Census Bureau, 35 percent of the population in New Braunfels is Hispanic, but an estimated 11 percent (i.e., 700/6,117) of all firms in the city are owned by Hispanics (as indicated in Table 1). The Committee noted this reality in March 2012, and its economic development recommendations have the potential to improve this misalignment.

**Table (1): U.S. Census 2007 Survey of Business Owners<sup>29</sup>**

	Ethnicity Code	Number of firms with or without paid employees	Sales, receipts, or value of shipments of firms with or without paid employees (\$1,000)	Number of firms with paid employees	Sales, receipts, or value of shipments of firms with paid employees (\$1,000)	Number of paid employees for pay period including March 12	Annual payroll (\$1,000)	Number of firms without paid employees	Sales, receipts, or value of shipments of firms without paid employees (\$1,000)
Comal County	All Firms	12,349	7,195,790	2,388	6,703,708	36,495	1,206,325	9,961	492,081
Comal County	Hispanic	1,272	118,016	97	70,748	635	13,063	1,175	47,268
New Braunfels	All Firms	6,117	4,399,883	1,528	4,150,041	23,172	737,107	4,589	249,842
New Braunfels	Hispanic	700	58,311	S <sup>30</sup>	S	S	S	640	20,296

The committee members were interested in understanding how a typical micro-loan could help build the economic base of New Braunfels. Mr. Sean Garretson, AICP, Economic Development Director of the Austin-San Antonio Corridor Council was invited to speak based on his experience with food trailers. Mr. Garretson helped the Committee understand the economic impact of food trailers and how the availability of micro-loan funds could increase the likelihood for New Braunfels entrepreneurs to try out new dishes at very low overhead cost. For example, used food trailers typically cost from \$15,000 to \$30,000, which is in the monetary range of the stated objective. Mr. Garretson also pointed out that in

<sup>29</sup> Accessed: June, 2012, <http://www.census.gov/econ/sbo/index.html>.

<sup>30</sup> The character "S" designates that the data is withheld because estimate did not meet publication standards.

Austin, Texas food trailers began as a neighborhood development strategy and they have now been tied to talent attraction campaigns and musical entertainment venues.

**Strategies**

*Strategy (1): Identify partnership opportunities to build a resilient micro-loan fund business model.* The City will coordinate with the Chamber, a consultant, and community stakeholders to build the capacity for the TCE to administer a micro-loan fund. The TCE bylaws will need to be reviewed and, if necessary, revised to support the administration of a micro-loan fund. Funding will need to be secured and allocated to administer the micro-loan fund.

*Strategy (2): Identify financial institutions, organizations and individuals that will participate in making investments and contributions to the New Braunfels Center for Entrepreneurship to raise funds for micro-loan purposes.* The City will coordinate with the Chamber to outline the process by which the TCE can solicit investment and contributions to raise funds for micro-loan purposes. Once the process is in place, the City and Chamber will assist TCE to identify institutions, organizations and individuals to participate in making investments and contributions.

*Strategy (3): Outline the micro-loan fund availability and application requirements by 2015.* The TCE will create eligibility requirements, including specific information pertaining to the terms of the agreement, legitimate micro-loan use purposes and other general requirements. The TCE will create marketing and promotional materials to inform New Braunfels businesses of the micro-loan availability.

Below are specific action items to implement the above strategies along with estimated completion dates and lead agency. Priority action items are marked with an asterisk (\*).

<b>Action Items</b>	<b>Completion Date</b>	<b>Lead Agency</b>
Identify and hire a consultant to create a resilient micro-loan fund business model.*	1Q 2013	Chamber
Assess existing capacity at the New Braunfels Center for Entrepreneurship (TCE), including staff and allowed financial mechanisms to administer the micro-loan fund.*	2Q 2013	Chamber
Outline the process by which the TCE can solicit investments and contributions to raise funds for micro-loan purposes.*	3Q 2013	Chamber
Identify and solicit institutions, organizations and individuals to participate in making investments and contributions.	4Q 2013	New Braunfels Center for Entrepreneurship
Create eligibility requirements, including specific information pertaining to the terms of the agreement, legitimate micro-loan use purposes and other general requirements.	4Q 2013	New Braunfels Center for Entrepreneurship
Create marketing and promotional materials to inform New Braunfels businesses of the micro-loan fund availability.	2Q 2014	Chamber

\*Priority

## Performance Measures Schedule by Economic Development Focus Area

The following performance measures include a specified completion date or benchmark that is directly related to the task described. Key supporting organizations have been identified to take part in each task, by which the lead implementing agency will be held responsible to completing each task.

Lead Implementing Agency	Task	Completion Date	Supporting Organizations
<b>Entrepreneurial and Small Business Development</b>			
Chamber	Identify and hire a consultant to create a resilient micro-loan fund business model.*	1Q 2013	City, EDF, Build NB, Center for Entrepreneurship
Chamber	Assess existing capacity at TCE, including staff and allowed financial mechanisms to administer the micro-loan fund.*	2Q 2013	City, EDF, Build NB, Center for Entrepreneurship
Chamber	Outline the process by which the TCE can solicit investments and contributions to raise funds for micro-loan purposes.*	3Q 2013	City, EDF, Build NB, Center for Entrepreneurship
New Braunfels Center for Entrepreneurship	Identify and solicit institutions, organizations and individuals to participate in making investments and contributions.	4Q 2013	City, EDF, Build NB, Chamber
New Braunfels Center for Entrepreneurship	Create eligibility requirements, including specific information pertaining to the terms of the agreement, legitimate micro-loan use purposes and other general requirements.	4Q 2013	City, EDF, Build NB, Chamber
Chamber	Create marketing and promotional materials to inform New Braunfels businesses of the micro-loan fund availability.	Up to \$25,000 available for micro-loan purposes by 2Q 2014	City, EDF, Build NB, Center for Entrepreneurship

\*Priority

## Tourism, Cultural and Recreational Development

### Goal

Facilitate large downtown investment to support tourism and cultural & recreational amenities in New Braunfels.

### Objective

Facilitate a downtown hotel adjacent to the New Braunfels Civic Center with a capacity of 130 to 150 rooms and a minimum of 5,000 square feet of meeting space.

### Rationale

The New Braunfels downtown serves as the central point for civic activity in the city and for Comal County. The Comal County Courthouse, Comal County office buildings, City Hall and the Civic Center are all located in the downtown area and provides a significant number of jobs. There are approximately 1,800 jobs currently located in the downtown area. The civic center, seasonal festivals, and downtown's close proximity to the Comal River also attract a large number of visitors each year.

Each year both local residents and out-of-town visitors travel to the city for a number of German themed festivals such as Wursthfest, Wassailfest, and Wein and Saengerfest. The City of New Braunfels was founded in 1845 by German settlers and it is filled with old-world heritage. In the summer the Comal River, which wraps around the northeast boundary of downtown, also attracts hundreds of thousands of visitors for river recreation activities, which include tubing, rafting and camping. There are also two major tourist destinations adjacent to downtown: Schlitterbahn, the largest water park in the U.S. and located walking distance from the heart of the city, and Gruene, a retail/entertainment center which is approximately a ten minute drive from downtown.

Between cultural tourism and tourist visits to the Comal River, it is estimated New Braunfels receives approximately two million visitors a year. According to a 2009 New Braunfels Economic Development Foundation hospitality study, the hospitality industry is responsible for more than \$121.8 million in wages to full-time and part-time employees each year, and the businesses that comprise the hospitality industry support more than 6,979 jobs and represent 27 percent of total employment in New Braunfels.<sup>31</sup> Moreover, the hospitality industry showed solid growth between 2005 and 2009, as total economic output rose 27 percent over that five-year period. This was an annual growth rate of more than 6 percent.<sup>32</sup>

According to an economic impact study on the New Braunfels hospitality industry, which was recently completed for the CVB and sponsored by the Greater New Braunfels Economic Development Foundation, the industry's impact during 2009 was \$469.6 million or approximately 20 percent of the total economic activity in New Braunfels.<sup>33</sup> This includes \$226.5 million in direct economic impact and \$243.1 million in indirect or spinoff output. The primary source of data used to estimate this economic impact is the 2009 state sales tax allocation for the City of New Braunfels. The impact by subcategory is as follows: 65 percent restaurants, 19 percent entertainment, 15 percent lodging and 1 percent

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<sup>31</sup> The New Braunfels Hospitality Economic Impact Assessment, Funded by the Greater New Braunfels Economic Development Foundation, (2009).

<sup>32</sup> Ibid.

<sup>33</sup> Ibid.

transportation, all of which have grown over the last ten years. Clearly, the hospitality industry is a major aspect of the New Braunfels local economy.

The CVB and Chamber of Commerce annually inventory New Braunfels’s cultural, recreational and tourism amenities, provided the amenities are a member of the Chamber of Commerce. There are a large number of attractions/amusement places (45) and entertainment and live music venues (23). To ensure these locations have a constant flow of customers, the city boasts thirteen bed and breakfast inns, twenty-four campgrounds and R.V. parking locations, thirty-two motels and hotels, and forty-three vacation rentals or furnished homes/cabins. However, only one hotel, three bed and breakfast inns, and thirteen vacation rentals or furnished homes/cabins are actually located downtown.<sup>34</sup>

The hotel/motel occupancy factbook provides data on the number of rooms available and the gross revenue over the last few years. The number of rooms available in New Braunfels has grown steadily except from 2005 to 2006 where there was a slight decrease in the number of rooms available. In addition, the gross revenue from hotel rooms has also grown steadily except from 2001 to 2002 and from 2007 to 2008. The table below displays the data annually from 1998 to 2010. Please note that the annual report for 2011 was not available at the time of publication.

**Table 3: Hotel Rooms and Change in Revenues, 2005 - 2010<sup>35</sup>**

<b>YEAR</b>	<b>Number of Rooms Available in New Braunfels (78130 &amp; 78132)</b>	<b>GROSS REVENUE</b>
1998	1,564	\$19,268,629.00
1999	1,657	\$20,525,182.00
2000	1,699	\$22,095,295.00
2001	1,724	\$23,784,043.00
2002	1,766	\$22,057,923.00
2003	1,801	\$25,265,327.00
2004	1,909	\$25,476,193.00
2005	1,961	\$28,541,322.00
2006	1,950	\$31,338,368.00
2007	1,988	\$33,024,103.00
2008	2,059	\$35,743,117.00
2009	2,288	\$31,952,121.00
2010	2,486	\$43,155,604.00

In spite of this available capacity and entertainment resources available locally, according to the CVB, New Braunfels does not qualify for approximately 42 percent of all Social, Military, Educational, Religious and Fraternal Special Meetings (SMERF) market bids or Association bids due to the lack of a headquarter hotel. Therefore, there is an opportunity to attract additional entertainment activity to New Braunfels by developing a downtown hotel.

Current infrastructure improvements in downtown will further support this goal. New Braunfels Assistant City Engineer for Transpiration Garry Ford, Jr., P.E., PTOE, spoke to the Services Committee

<sup>34</sup> Greater New Braunfels Chamber of Commerce Membership Directory, (2012).

<sup>35</sup> Texas Hotel Performance Factbook Quarterly and Annual – 2005-2011. Data includes New Braunfels Zip Codes 78130 & 78132. [www.sourcestrategies.org](http://www.sourcestrategies.org).

about the large traffic and infrastructure projects that are currently underway, which included the downtown sidewalk upgrades. Mr. Ford mentioned that congestion during the high tourism season downtown is being carefully studied (SchlitterBahn Waterpark is located 0.5 miles from downtown) to ensure traffic plans are in place to reroute automobiles and avoid further congestion. Mr. Ford indicated that he and the City are working closely with TxDOT to ensure the two agencies combine efforts to maximize public dollars for New Braunfels downtown development.

**Strategies**

*Strategy (1): The City staff will target available properties for development through financial feasibility and design studies.* The development process should be guided by an economic impact model to evaluate the estimated cost & economic impact of developing a downtown hotel. By working with public, political and private stakeholders to develop a remediation plan for properties identified in hotel market feasibility study, the City will be able to clearly illustrate the proposed project with total development budgets and project schedules.

*Strategy (2): Build public-private partnership capabilities by identifying public and private sources of funding to leverage local sources of funds to construct the downtown hotel.* The development of public-private partnership finance plans that explore ownership, investment, development and facility management scenarios will identify the highest and best use of public funds in the development process.

Below are specific action items to implement the above strategies along with estimated completion dates and lead agency. Priority action items are marked with an asterisk (\*).

<b>Action Items</b>	<b>Completion Date</b>	<b>Lead Agency</b>
Create an economic impact model to evaluate the estimated cost & economic impact of developing a downtown hotel.*	1Q 2013	City
Work with public, political and private stakeholders to develop a remediation plan for properties identified in hotel market feasibility study that conform to the stated objective of facilitating a downtown hotel with a capacity of 130 to 150 rooms and a minimum of 5,000 square feet of meeting space.*	2Q 2013	City
Complete urban design, architectural concepts and design guidelines to clearly illustrate the proposed project with total development budgets and project schedules.*	3Q 2013	City
Develop public-private finance plans that explore ownership, investment, development and facility management scenarios.*	3Q 2013	City
Solicit a developer through an RFP process.	4Q 2013	City

*\*Priority*



## Performance Measures Schedule by Economic Development Focus Area

The following performance measures include a specified completion date or benchmark that is directly related to the task described. Key supporting organizations have been identified to take part in each task, by which the lead implementing agency will be held responsible to completing each task.

Lead Implementing Agency	Task	Completion Date	Supporting Organizations
<b>Tourism, Cultural and Recreational Development</b>			
City	Create an economic impact model to evaluate the estimated cost & economic impact of developing a downtown hotel.*	1Q 2013	Chamber, CVB, EDF, Build NB
City	Work with public, political and private stakeholders to develop a remediation plan for properties identified in hotel market feasibility study that conform to the stated objective of facilitating a downtown hotel with a capacity of 130 to 150 rooms and a minimum of 5,000 square feet of meeting space.*	2Q 2013	Chamber, CVB, EDF, Build NB
City	Complete urban design, architectural concepts and design guidelines to clearly illustrate the proposed project with total development budgets and project schedules.*	3Q 2013	Chamber, CVB, EDF, Build NB
City	Develop public-private finance plans that explore ownership, investment, development and facility management scenarios.*	3Q 2013	Chamber, CVB, EDF, Build NB
City	Solicit a developer through an RFP process.	4Q 2013	Chamber, CVB, EDF, Build NB

\*Priority

## Workforce Development

### Goal

Foster a robust workforce readiness environment in New Braunfels.

### Objective

Act upon the Mayor's Higher Education Task Force initiatives to expand educational opportunities.

### Rationale

Workforce readiness is an important factor for New Braunfels area business. The subject of hard skills and soft skills was discussed at length in committee meetings, specifically in regards to the pipeline of New Braunfels workers coming through the local educational system. It is also directly correlated to the investments committee goal to retain expand and attract primary employers to New Braunfels. A twenty-five member Mayor's Higher Education Task Force was established in 2010 to carefully examine the issues and challenges with workforce readiness and devise solutions. Although the task force is continuing its work, this strategic plan aims to fully support their efforts.

A recently completed Clarus Study, which was the driving force behind the Mayor's Higher Education Task Force initiatives, outlined the major education market changes from 2000 to 2010, the major market issues for the CTTC, and recommendations for each market segment examined: adults, employers and high school students. The study noted that after increasing enrollments for the last six years, the CTTC is almost at maximum utilization of their physical facility. Specifically, the study recommended "adding certifications and one-year certificates to the program offerings at the Center, and to start the accreditation process for community college status to offer associate degrees at the Center."<sup>36</sup> The report also estimated that building 25,000 square feet of additional space for labs and training facilities would cost roughly \$6.3 million.<sup>37</sup>

TIP Strategies, an Austin-based business and economic development consulting firm, conducted a data-driven analysis of New Braunfels's efforts to meet future employment demands of an aging workforce – that is, to create an environment that is conducive to attracting and retaining a talented workforce.<sup>38</sup> TIP Strategies's report focused on six specific implementation items to ensure talent attraction and retention is an important part of the community's economic development success. Of the six strategies described by TIP Strategies Report, the number one item to focus on was: to *continue to improve access to higher education and professional training opportunities*.

As an example of the need for additional training programs in New Braunfels, the Texas Comptroller of Public Accounts, Local Government Assistance and Economic Development Division used data collected from the Economic Modeling Specialists, Inc. (EMSI) and the Texas Comptroller of Public Accounts to identify the health care sector's influence on total employment, which has been steadily increasing from 7.9 percent of total area employment in 2001 to 9.9 percent in 2010.<sup>39</sup> The report noted that over a ten-year period (2001 to 2010) employment growth in the New Braunfels-area health care and social

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<sup>36</sup> The Clarus Corporation Study. Prepared for Higher Education Task Force of The Greater New Braunfels Chamber of Commerce, Inc., (2010).

<sup>37</sup> *ibid*

<sup>38</sup> New Braunfels Talent Project. Prepared by TIP Strategies, (2009).

<sup>39</sup> A Preliminary Analysis of the Importance and Impact of the Health Care and Social Assistance Sector on the New Braunfels Area Economy, (2010).

assistance sector has grown at a faster pace than the overall area economy. From 4,252 workers in 2001, employment in this sector has added 2,641 workers to reach an estimated 6,893 by 2010. This 62 percent increase in employment has overshadowed the 29 percent increase in overall area employment for the same time period.

At the same time, an analysis of the current curriculum being taught to high school students in the local school identified certain classes at Comal ISD that could be moved to the eighth grade level. This opened up more elective space at the high school level to foster technical and career readiness training. In particular, in the Comal ISD 1,300 students out of 2,100 total students are enrolled in career technology clusters, which include highly technical educational offerings that could feed directly into CTTC's curriculum expansion.<sup>40</sup> Also, Comal ISD offers Independent Study and Independent Study Mentorship (ISM) courses at both middle school and high school, which are non-traditional learning experiences for students who have the ability to create innovative products or performances in specific areas of talent and/or interest. At the New Braunfels ISD, the career academies are focused on technology, computer information and security technology and manufacturing technology. Both the Comal and New Braunfels ISDs are actively involved in developing and implementing a practical curriculum to help train a qualified workforce for New Braunfels area businesses.

The local manufacturing business associations have also been studying the issue of worker training and an integrated technical training curriculum in both New Braunfels and throughout the region. As a resource speaker, Mr. Klaus D. Weiswurm—CEO of the ITM manufacturing facility, Chair of the Alamo Area Academies and a member of the manufacturing associations in New Braunfels and San Antonio—shared that there are currently (as of July 2012) 2,500 manufacturing vacancies in San Antonio, 10-20 percent of the workforce is retiring in five to ten years and 80 percent of incoming college freshmen need remediation.<sup>41</sup> Mr. Weiswurm also mentioned that the Academies experienced difficulties in locating appropriate employment opportunities for their students because of two primary reasons. First, companies are unsure of the legal and regulatory challenges associated with hiring a person under the age of eighteen. This could potentially dissuade willing participants. Secondly, there is also a direct and indirect cost of hiring younger employees that may need mentoring and more immediate supervision from other employees.

In spring 2012, Howard Payne University in Brownwood, Texas announced it will be making a long-term commitment to the City of New Braunfels by building a multi-million dollar campus. Still, there is need for continued investment in higher education initiatives to train and support an educated workforce in New Braunfels. The Howard Payne University's educational offerings will include classes in computer information systems, nursing, engineering, and hospitality and tourism. It will take three years for Howard Payne to break ground on the new campus, but it will hold classes in the city at an alternate location in the meantime. Additionally, Wayland Baptist University indicated in August 2012 that it will be offering classes in the Winter 2012 semester in New Braunfels. These institutional expansions work toward the objective of implementing the Mayor's Higher Education Task Force initiatives to expand educational opportunities, but will not complete them. The economic development strategies described

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<sup>40</sup> Accessed September, 2012:

[http://www.comalisd.org/Curriculum\\_Instruction/Career\\_Technology/PDF/CTE\\_High\\_School\\_Course\\_Guide\\_2012-2013\\_Final.pdf](http://www.comalisd.org/Curriculum_Instruction/Career_Technology/PDF/CTE_High_School_Course_Guide_2012-2013_Final.pdf).

<sup>41</sup> Information and data points reflect multiple studies undertaken by the San Antonio Manufactures Association (SAMA), New Braunfels Manufacturers Association (NBMA), (2011-2012), in which Mr. Weiswurm was involved.

in the next section speak to the specific efforts that need to be undertaken to achieve the Mayor’s Higher Education Task Force initiatives.

**Strategies**

*Strategy (1): Expand the Alamo Colleges Central Texas Technology Center (CTTC).* This strategy includes building on the Mayor’s Higher Education Task Force recommendations to expand the physical size of CTTC to accommodate increased enrollment based on the Clarus Study of enrollment projections and curriculum needs, in addition to developing two (2) additional post-secondary certification programs to support the growth in the City’s target industries. The Mayor’s Higher Education Task Force is currently reviewing which specific post-secondary certification programs will be selected for development by the CTTC. The City and Chamber will need to lead in efforts that identify specific technical and career education programs that the Comal ISD, New Braunfels ISD, Alamo Colleges, New Braunfels Industrial Development Corporation and employers can collaborate on to expand jobs in New Braunfels.

*Strategy (2): Organize a quarterly meeting of private sector employers and education providers to communicate workforce skills shortages pervasive in existing industries to identify workforce training needs.* The Chamber, in partnership with the New Braunfels economic development stakeholders will need to recruit Howard Payne University & CTTC faculty and administrative staff to attend quarterly meetings to address workforce skills shortages. This action will help integrate continuing education curricula development processes (e.g., Howard Payne University’s health care and computer information systems (CIS) baccalaureate programs) with needs of New Braunfels’s private sector employers.

*Strategy (3): Build on CTTC, Comal ISD and New Braunfels ISD efforts, in partnership with the New Braunfels Manufacturing Association (NBMA) and others, to identify and encourage meaningful employment experiences for students enrolled in technical and career education and secondary education programs.* The Chamber and all New Braunfels economic development stakeholders will need to identify one-stop shop opportunities with Workforce Solutions Alamo to create an employer-employee internship and employee information exchange program. This action will help identify the legal and regulatory hurdles for employing minors in an industrial setting and share the information in an accessible format with the New Braunfels’s employers and technical community. The Chamber will need to develop marketing and promotional materials for one-stop shop opportunity to engage private sector employers and students in internship exchange program, which will ultimately enhance linkages between the NBMA, ISDs and CTTC.

Below are specific action items to implement the above strategies along with estimated completion dates and lead agency. Priority action items are marked with an asterisk (\*).

Action Items	Completion Date	Lead Agency
Expand the physical size of CTTC to accommodate increased enrollment based on Clarus Study enrollment projections and curriculum needs.*	3Q 2013	City
Identify specific technical and career education programs that the Comal ISD, New Braunfels ISD, Alamo Colleges, New Braunfels Industrial Development Corporation and employers can	4Q 2013	Chamber

collaborate on to expand jobs in New Braunfels.*		
Develop two (2) post-secondary certification programs to support the growth in the City's target industries.*	1Q 2014	Chamber
Recruit Howard Payne University & CTTC faculty and administrative staff who can attend quarterly meetings to address workforce skills shortages.*	2Q 2014	Chamber
Integrate continuing education curricula development processes (e.g., Howard Payne University's health care and computer information systems (CIS) baccalaureate programs) with needs of New Braunfels's private sector employers.*	3Q 2014	Chamber
Identify one-stop shop opportunities with Workforce Solutions Alamo to create an employer-employee internship and employee information exchange program.*	4Q 2014	Chamber
Identify the legal and regulatory hurdles for employing minors in an industrial setting and share the information in an accessible format with the New Braunfels's employers and technical community.*	4Q 2014	Chamber
Develop marketing and promotional materials for one-stop shop opportunity to engage private sector employers and students in internship exchange program.	2Q 2015	Chamber
Enhance linkages between the NBMA, ISDs and CTTC to create a partnership approach to developing technical and career education curricula in New Braunfels.	4Q 2015	Chamber

\*Priority

### Performance Measures Schedule by Economic Development Focus Area

The following performance measures include a specified completion date or benchmark that is directly related to the task described. Key supporting organizations have been identified to take part in each task, by which the lead implementing agency will be held responsible to completing each task.

Lead Implementing Agency	Task	Completion Date	Supporting Organizations
<b>Workforce Development</b>			
City	Expand the physical size of CTTC to accommodate increased enrollment based on Clarus Study enrollment projections and curriculum needs.*	3Q 2013	Chamber, EDF, CTTC

Lead Implementing Agency	Task	Completion Date	Supporting Organizations
Chamber	Identify specific technical and career education programs that the Comal ISD, New Braunfels ISD, Alamo Colleges, New Braunfels Industrial Development Corporation and employers can collaborate on to expand jobs in New Braunfels.*	4Q 2013	City, New Braunfels & Comal ISDs, CTTC, Howard Payne University and all other higher education and workforce training providers
Chamber	Recruit two (2) additional post-secondary certification programs to support the growth in the City's target industries.*	1Q 2014	City, EDF, Institutions of Higher Education
Chamber	Recruit Howard Payne University & CTTC faculty and administrative staff who can attend quarterly meetings to address workforce skills shortages.*	2Q 2014	City, CTTC, Howard Payne University and all other Higher Education and Workforce Training providers
Chamber	Integrate continuing education curricula development processes (e.g., Howard Payne University's health care and computer information systems (CIS) baccalaureate programs) with needs of New Braunfels's private sector employers.*	3Q 2014	City, NBMA, New Braunfels & Comal ISDs, CTTC, Howard Payne University and all other Higher Education and Workforce Training providers
Chamber	Identify one-stop shop opportunities with Workforce Solutions Alamo to create an employer-employee internship and employee information exchange program.*	4Q 2014	City, Workforce Solutions Alamo, New Braunfels & Comal ISDs, CTTC, Howard Payne University and all other Higher Education and Workforce Training providers
Chamber	Identify the legal and regulatory hurdles for employing minors in an industrial setting and share the information in an accessible format with the New Braunfels's employers and technical community.*	4Q 2014	City, Workforce Solutions Alamo, NBMA, New Braunfels & Comal ISDs, CTTC, Howard Payne University and all other Higher Education and Workforce Training providers
Chamber	Develop marketing and promotional materials for one-stop shop opportunity to engage private sector employers and students in internship exchange program.	2Q 2015	City, NBMA, New Braunfels & Comal ISDs, CTTC, Howard Payne University and all other Higher Education and Workforce Training providers
Chamber	Enhance linkages between the NBMA, ISDs and CTTC to create a partnership approach to developing technical and career education curricula in New Braunfels.	4Q 2015	City, NBMA, New Braunfels & Comal ISDs, CTTC, Howard Payne University and all other Higher Education and Workforce Training providers

\*Priority

## Updating the Plan

*The Economic Development Strategic Plan* is not a static document but rather a framework for the community to build effective programs, policies and systems to deliver economic development services. Therefore, as economic and social conditions evolve in the city, so must the plan. The City and Chamber of Commerce should collaborate to review and update the plan on an annual basis. Certain portions of the plan may be updated less often depending upon local conditions.

## Publicizing the Plan

The success of *The Economic Development Strategic Plan* relies on the participation of City agencies, municipal leaders, business leaders, community representatives, and all of New Braunfels's residents. The plan can be a unifying force in the region, one that brings together citizens at all levels to move forward on a shared vision for economic growth. To do so, the plan must reach a wide audience, necessitating the City, Chamber and all of the New Braunfels economic development stakeholders to publicize the plan.

## Part 3. Economic Development Performance Evaluation

The following exhibits (schedules) are a summary of the action items discussed above. The schedules also include information on supporting organizations that will support each of the action items. There are 3 schedules that follow.

- Schedule by economic development focus area
- Schedule by implementing agency: the lead agency will be responsible for the timely implementation of the action items.
- Schedule by completion date

### 1. Performance Measures Schedule by Economic Development Focus Area

The following performance measures include a specified completion date or benchmark that is directly related to the task described. Key supporting organizations have been identified to take part in each task, by which the lead implementing agency will be held responsible to completing each task.

Lead Implementing Agency	Task	Completion Date	Supporting Organizations
<b>Real Estate Development</b>			
Chamber	Create a unified communication action plan to articulate the risks and rewards of a proactive investment strategy that facilitates suitable building space for primary employers.*	1Q 2013	City, EDF, Build NB
City	Inform and engage public and political stakeholders building public-private partnership to support investments for suitable building space.*	2Q 2013	Chamber, EDF, Build NB
City	After soliciting feedback from stakeholders, engage political stakeholders to develop an Investment policy regarding the development of suitable building space through public-private partnerships.*	2Q 2013	Chamber, EDF, Build NB
Chamber	Identify qualified public and private sources of funding to facilitate suitable building space to support targeted industries in the City.*	3Q 2013	City, EDF, Build NB
City	Present the Type B Economic Development Board with opportunities to leverage Type B funding to facilitate suitable building space for primary employers.*	4Q 2013	Chamber, EDF, Build NB



<b>Lead Implementing Agency</b>	<b>Task</b>	<b>Completion Date</b>	<b>Supporting Organizations</b>
Chamber	Retain a consultant or a site selection firm to develop a build-ready site strategy.	2Q 2014	City, EDF, Build NB
Chamber	Obtain build-ready site certification or similar tools to increase the opportunity for expedited occupancy.	3Q 2014	City, EDF, Build NB
Chamber	Create and integrate marketing campaigns around available building space for primary employers.	1Q 2015	City, EDF, Build NB
Chamber	Identify a core set of metrics to identify the impact of targeted marketing campaigns.	1Q 2015	City, EDF, Build NB
<b>Entrepreneurial and Small Business Development</b>			
Chamber	Identify and hire a consultant to create a resilient micro-loan fund business model.*	1Q 2013	City, EDF, Build NB, Center for Entrepreneurship
Chamber	Assess existing capacity at TCE, including staff and allowed financial mechanisms to administer the micro-loan fund.*	2Q 2013	City, EDF, Build NB, Center for Entrepreneurship
Chamber	Outline the process by which the TCE can solicit investments and contributions to raise funds for micro-loan purposes.*	3Q 2013	City, EDF, Build NB, Center for Entrepreneurship
New Braunfels Center for Entrepreneurship	Identify and solicit institutions, organizations and individuals to participate in making investments and contributions.	4Q 2013	City, EDF, Build NB, Chamber
New Braunfels Center for Entrepreneurship	Create eligibility requirements, including specific information pertaining to the terms of the agreement, legitimate micro-loan use purposes and other general requirements.	4Q 2013	City, EDF, Build NB, Chamber
Chamber	Create marketing and promotional materials to inform New Braunfels businesses of the micro-loan fund availability.	Up to \$25,000 available for micro-loan purposes by 2Q 2014	City, EDF, Build NB, Center for Entrepreneurship
<b>Tourism, Cultural and Recreational Development</b>			
City	Create an economic impact model to evaluate the estimated cost & economic impact of developing a downtown hotel.*	1Q 2013	Chamber, CVB, EDF, Build NB
City	Work with public, political and private stakeholders to develop a remediation plan for properties identified in hotel market feasibility study that conform to the stated objective of facilitating a downtown hotel with a capacity of 130 to 150 rooms and a minimum of 5,000 square feet of meeting space.*	2Q 2013	Chamber, CVB, EDF, Build NB

<b>Lead Implementing Agency</b>	<b>Task</b>	<b>Completion Date</b>	<b>Supporting Organizations</b>
City	Complete urban design, architectural concepts and design guidelines to clearly illustrate the proposed project with total development budgets and project schedules.*	3Q 2013	Chamber, CVB, EDF, Build NB
City	Develop public-private finance plans that explore ownership, investment, development and facility management scenarios.*	3Q 2013	Chamber, CVB, EDF, Build NB
City	Solicit a developer through an RFP process.	4Q 2013	Chamber, CVB, EDF, Build NB
<b>Workforce Development</b>			
City	Expand the physical size of CTTC to accommodate increased enrollment based on Clarus Study enrollment projections and curriculum needs.*	3Q 2013	Chamber, EDF, CTTC
Chamber	Identify specific technical and career education programs that the Comal ISD, New Braunfels ISD, Alamo Colleges, New Braunfels Industrial Development Corporation and employers can collaborate on to expand jobs in New Braunfels.*	4Q 2013	City, New Braunfels & Comal ISDs, CTTC, Howard Payne University and all other higher education and workforce training providers
Chamber	Recruit two (2) additional post-secondary certification programs to support the growth in the City's target industries.*	1Q 2014	City, EDF, Institutions of Higher Education
Chamber	Recruit Howard Payne University & CTTC faculty and administrative staff who can attend quarterly meetings to address workforce skills shortages.*	2Q 2014	City, CTTC, Howard Payne University and all other Higher Education and Workforce Training providers
Chamber	Integrate continuing education curricula development processes (e.g., Howard Payne University's health care and computer information systems (CIS) baccalaureate programs) with needs of New Braunfels's private sector employers.*	3Q 2014	City, NBMA, New Braunfels & Comal ISDs, CTTC, Howard Payne University and all other Higher Education and Workforce Training providers
Chamber	Identify one-stop shop opportunities with Workforce Solutions Alamo to create an employer-employee internship and employee information exchange program.*	4Q 2014	City, Workforce Solutions Alamo, New Braunfels & Comal ISDs, CTTC, Howard Payne University and all other Higher Education and Workforce Training providers
Chamber	Identify the legal and regulatory hurdles for employing minors in an industrial setting and share the information in an accessible format with the New Braunfels's employers and technical community.*	4Q 2014	City, Workforce Solutions Alamo, NBMA, New Braunfels & Comal ISDs, CTTC, Howard Payne University and all other Higher Education and Workforce Training providers

<b>Lead Implementing Agency</b>	<b>Task</b>	<b>Completion Date</b>	<b>Supporting Organizations</b>
Chamber	Develop marketing and promotional materials for one-stop shop opportunity to engage private sector employers and students in internship exchange program.	2Q 2015	City, NBMA, New Braunfels & Comal ISDs, CTTC, Howard Payne University and all other Higher Education and Workforce Training providers
Chamber	Enhance linkages between the NBMA, ISDs and CTTC to create a partnership approach to developing technical and career education curricula in New Braunfels.	4Q 2015	City, NBMA, New Braunfels & Comal ISDs, CTTC, Howard Payne University and all other Higher Education and Workforce Training providers

*\*Priority*

## 2. Performance Measures Schedule by Lead Agency

Lead Implementing Agency	Task	Completion Date	Supporting Organizations
<b>Real Estate Development</b>			
Chamber	Create a unified communication action plan to articulate the risks and rewards of a proactive investment strategy that facilitates suitable building space for primary employers.*	1Q 2013	City, EDF, Build NB
Chamber	Identify qualified public and private sources of funding to facilitate suitable building space to support targeted industries in the City.*	3Q 2013	City, EDF, Build NB
Chamber	Retain a consultant or a site selection firm to develop a build-ready site strategy.	2Q 2014	City, EDF, Build NB
Chamber	Obtain build-ready site certification or similar tools to increase the opportunity for expedited occupancy.	3Q 2014	City, EDF, Build NB
Chamber	Create and integrate marketing campaigns around available building space for primary employers.	1Q 2015	City, EDF, Build NB
Chamber	Identify a core set of metrics to identify the impact of targeted marketing campaigns.	1Q 2015	City, EDF, Build NB
City	Inform and engage public and political stakeholders building public-private partnership to support investments for suitable building space.*	2Q 2013	Chamber, EDF, Build NB
City	After soliciting feedback from stakeholders, engage political stakeholders to develop an Investment policy regarding the development of suitable building space through public-private partnerships.*	2Q 2013	Chamber, EDF, Build NB
City	Present the Type B Economic Development Board with opportunities to leverage Type B funding to facilitate suitable building space for primary employers.*	4Q 2013	Chamber, EDF, Build NB
<b>Entrepreneurial and Small Business Development</b>			
Center for Entrepreneurship	Identify and solicit institutions, organizations and individuals to participate in making investments and contributions.	4Q 2013	City, EDF, Build NB, Chamber

<b>Lead Implementing Agency</b>	<b>Task</b>	<b>Completion Date</b>	<b>Supporting Organizations</b>
Center for Entrepreneurship	Create eligibility requirements, including specific information pertaining to the terms of the agreement, legitimate micro-loan use purposes and other general requirements.	4Q 2013	City, EDF, Build NB, Chamber
Chamber	Identify and hire a consultant to create a resilient micro-loan fund business model.*	1Q 2013	City, EDF, Build NB, Center for Entrepreneurship
Chamber	Assess existing capacity at TCE, including staff and allowed financial mechanisms to administer the micro-loan fund.*	2Q 2013	City, EDF, Build NB, Center for Entrepreneurship
Chamber	Outline the process by which the TCE can solicit investments and contributions to raise funds for micro-loan purposes.*	3Q 2013	City, EDF, Build NB, Center for Entrepreneurship
Chamber	Create marketing and promotional materials to inform New Braunfels businesses of the micro-loan fund availability.	2Q 2014	City, EDF, Build NB, Center for Entrepreneurship
<b>Tourism, Cultural and Recreational Development</b>			
City	Create an economic impact model to evaluate the estimated cost & economic impact of developing a downtown hotel.*	1Q 2013	Chamber, CVB, EDF, Build NB
City	Work with public, political and private stakeholders to develop a remediation plan for properties identified in hotel market feasibility study that conform to the stated objective of facilitating a downtown hotel with a capacity of 130 to 150 rooms and a minimum of 5,000 square feet of meeting space.*	2Q 2013	Chamber, CVB, EDF, Build NB
City	Complete urban design, architectural concepts and design guidelines to clearly illustrate the proposed project with total development budgets and project schedules.*	3Q 2013	Chamber, CVB, EDF, Build NB
City	Develop public-private finance plans that explore ownership, investment, development and facility management scenarios.*	3Q 2013	Chamber, CVB, EDF, Build NB
City	Solicit a developer through an RFP process.	4Q 2013	Chamber, CVB, EDF, Build NB
<b>Workforce Development</b>			
Chamber	Identify specific technical and career education programs that the Comal ISD, New Braunfels ISD, Alamo Colleges, New Braunfels Industrial Development Corporation and employers can collaborate on to expand jobs in New Braunfels.*	4Q 2013	City, New Braunfels & Comal ISDs, CTTC, Howard Payne University and all other higher education and workforce training providers

<b>Lead Implementing Agency</b>	<b>Task</b>	<b>Completion Date</b>	<b>Supporting Organizations</b>
Chamber	Recruit two (2) additional post-secondary certification programs to support the growth in the City's target industries.*	1Q 2014	City, EDF, Institutions of Higher Education
Chamber	Recruit Howard Payne University & CTTC faculty and administrative staff who can attend quarterly meetings to address workforce skills shortages.*	2Q 2014	City, CTTC, Howard Payne University and all other Higher Education and Workforce Training providers
Chamber	Integrate continuing education curricula development processes (e.g., Howard Payne University's health care and computer information systems (CIS) baccalaureate programs) with needs of New Braunfels's private sector employers.*	3Q 2014	City, NBMA, New Braunfels & Comal ISDs, CTTC, Howard Payne University and all other Higher Education and Workforce Training providers
Chamber	Identify one-stop shop opportunities with Workforce Solutions Alamo to create an employer-employee internship and employee information exchange program.*	4Q 2014	City, Workforce Solutions Alamo, New Braunfels & Comal ISDs, CTTC, Howard Payne University and all other Higher Education and Workforce Training providers
Chamber	Identify the legal and regulatory hurdles for employing minors in an industrial setting and share the information in an accessible format with the New Braunfels's employers and technical community.*	4Q 2014	City, Workforce Solutions Alamo, NBMA, New Braunfels & Comal ISDs, CTTC, Howard Payne University and all other Higher Education and Workforce Training providers
Chamber	Develop marketing and promotional materials for one-stop shop opportunity to engage private sector employers and students in internship exchange program.	2Q 2015	City, NBMA, New Braunfels & Comal ISDs, CTTC, Howard Payne University and all other Higher Education and Workforce Training providers
Chamber	Enhance linkages between the NBMA, ISDs and CTTC to create a partnership approach to developing technical and career education curricula in New Braunfels.	4Q 2015	City, NBMA, New Braunfels & Comal ISDs, CTTC, Howard Payne University and all other Higher Education and Workforce Training providers
City	Expand the physical size of CTTC to accommodate increased enrollment based on Clarus Study enrollment projections and curriculum needs.*	3Q 2013	Chamber, EDF, CTTC

\*Priority

### 3. Performance Measures Schedule by Completion Date

Lead Implementing Agency	Task	Completion Date	Supporting Organizations
<b>Real Estate Development</b>			
Chamber	Create a unified communication action plan to articulate the risks and rewards of a proactive investment strategy that facilitates suitable building space for primary employers.*	1Q 2013	City, EDF, Build NB
City	Inform and engage public and political stakeholders building public-private partnership to support investments for suitable building space.*	2Q 2013	Chamber, EDF, Build NB
City	After soliciting feedback from stakeholders, engage political stakeholders to develop an Investment policy regarding the development of suitable building space through public-private partnerships.*	2Q 2013	Chamber, EDF, Build NB
Chamber	Identify qualified public and private sources of funding to facilitate suitable building space to support targeted industries in the City.*	3Q 2013	City, EDF, Build NB
City	Present the Type B Economic Development Board with opportunities to leverage Type B funding to facilitate suitable building space for primary employers.*	4Q 2013	Chamber, EDF, Build NB
Chamber	Retain a consultant or a site selection firm to develop a build-ready site strategy.	2Q 2014	City, EDF, Build NB
Chamber	Obtain build-ready site certification or similar tools to increase the opportunity for expedited occupancy.	3Q 2014	City, EDF, Build NB
Chamber	Create and integrate marketing campaigns around available building space for primary employers.	1Q 2015	City, EDF, Build NB
Chamber	Identify a core set of metrics to identify the impact of targeted marketing campaigns.	1Q 2015	City, EDF, Build NB
<b>Entrepreneurial and Small Business Development</b>			
Chamber	Identify and hire a consultant to create a resilient micro-loan fund business model.*	1Q 2013	City, EDF, Build NB, Center for Entrepreneurship
Chamber	Assess existing capacity at TCE, including staff and allowed financial mechanisms to administer the micro-loan fund.*	2Q 2013	City, EDF, Build NB, Center for Entrepreneurship

<b>Lead Implementing Agency</b>	<b>Task</b>	<b>Completion Date</b>	<b>Supporting Organizations</b>
Chamber	Outline the process by which the TCE can solicit investments and contributions to raise funds for micro-loan purposes.*	3Q 2013	City, EDF, Build NB, Center for Entrepreneurship
Center for Entrepreneurship	Identify and solicit institutions, organizations and individuals to participate in making investments and contributions.	4Q 2013	City, EDF, Build NB, Chamber
Center for Entrepreneurship	Create eligibility requirements, including specific information pertaining to the terms of the agreement, legitimate micro-loan use purposes and other general requirements.	4Q 2013	City, EDF, Build NB, Chamber
Chamber	Create marketing and promotional materials to inform New Braunfels businesses of the micro-loan fund availability.	2Q 2014	City, EDF, Build NB, Center for Entrepreneurship
<b>Tourism, Cultural and Recreational Development</b>			
City	Create an economic impact model to evaluate the estimated cost & economic impact of developing a downtown hotel.*	1Q 2013	Chamber, CVB, EDF, Build NB
City	Work with public, political and private stakeholders to develop a remediation plan for properties identified in hotel market feasibility study that conform to the stated objective of facilitating a downtown hotel with a capacity of 130 to 150 rooms and a minimum of 5,000 square feet of meeting space.*	2Q 2013	Chamber, CVB, EDF, Build NB
City	Complete urban design, architectural concepts and design guidelines to clearly illustrate the proposed project with total development budgets and project schedules.*	3Q 2013	Chamber, CVB, EDF, Build NB
City	Develop public-private finance plans that explore ownership, investment, development and facility management scenarios.*	3Q 2013	Chamber, CVB, EDF, Build NB
City	Solicit a developer through an RFP process.	4Q 2013	Chamber, CVB, EDF, Build NB
<b>Workforce Development</b>			
City	Expand the physical size of CTTC to accommodate increased enrollment based on Clarus Study enrollment projections and curriculum needs.*	3Q 2013	Chamber, EDF, CTTC
Chamber	Identify specific technical and career education programs that the Comal ISD, New Braunfels ISD, Alamo Colleges, New Braunfels Industrial Development Corporation and employers	4Q 2013	City, New Braunfels & Comal ISDs, CTTC, Howard Payne University and all other higher education and workforce training providers



<b>Lead Implementing Agency</b>	<b>Task</b>	<b>Completion Date</b>	<b>Supporting Organizations</b>
	can collaborate on to expand jobs in New Braunfels.*		
Chamber	Recruit two (2) additional post-secondary certification programs to support the growth in the City's target industries.*	1Q 2014	City, EDF, Institutions of Higher Education
Chamber	Recruit Howard Payne University & CTTC faculty and administrative staff who can attend quarterly meetings to address workforce skills shortages.*	2Q 2014	City, CTTC, Howard Payne University and all other Higher Education and Workforce Training providers
Chamber	Integrate continuing education curricula development processes (e.g., Howard Payne University's health care and computer information systems (CIS) baccalaureate programs) with needs of New Braunfels's private sector employers.*	3Q 2014	City, NBMA, New Braunfels & Comal ISDs, CTTC, Howard Payne University and all other Higher Education and Workforce Training providers
Chamber	Identify one-stop shop opportunities with Workforce Solutions Alamo to create an employer-employee internship and employee information exchange program.*	4Q 2014	City, Workforce Solutions Alamo, New Braunfels & Comal ISDs, CTTC, Howard Payne University and all other Higher Education and Workforce Training providers
Chamber	Identify the legal and regulatory hurdles for employing minors in an industrial setting and share the information in an accessible format with the New Braunfels's employers and technical community.*	4Q 2014	City, Workforce Solutions Alamo, NBMA, New Braunfels & Comal ISDs, CTTC, Howard Payne University and all other Higher Education and Workforce Training providers
Chamber	Develop marketing and promotional materials for one-stop shop opportunity to engage private sector employers and students in internship exchange program.	2Q 2015	City, NBMA, New Braunfels & Comal ISDs, CTTC, Howard Payne University and all other Higher Education and Workforce Training providers
Chamber	Enhance linkages between the NBMA, ISDs and CTTC to create a partnership approach to developing technical and career education curricula in New Braunfels.	4Q 2015	City, NBMA, New Braunfels & Comal ISDs, CTTC, Howard Payne University and all other Higher Education and Workforce Training providers

\*Priority

## Part 4: New Braunfels Economic Profile

### A. SWOT Analysis

The Strengths, Weakness, Opportunities and Threats (SWOT) analysis is a summary of the community's current assets and challenges on which the current strategic plan is built. It was organized with the help of every committee in late March 2012. IEDC handed out SWOT assignments (based on IEDC Strategic Planning Manual pages 118-122) to each committee member and collected the responses in late April 2012. The work was synthesized and presented to each committee in May and June 2012. The SWOT analysis led directly to a set of conclusions that helped the committees understand the dynamics of the New Braunfels economy and formulate the economic development goals, objectives, strategies and action items in this plan.

The following strengths, weaknesses, opportunities and threats are defined below.<sup>42</sup>

- Strengths: current advantages the community can promote
- Weaknesses: current challenges the community acknowledges or can fix
- Opportunities: potential future considerations the community can prepare for and pursue
- Threats: potential future considerations the community can mitigate

### Strengths

#### *Quality of Life*

New Braunfels is located in the scenic Hill Country of Texas between the San Antonio and Austin. Many Texans know New Braunfels for its clean Guadalupe and Comal Rivers in addition to the nationally registered Gruene Historic District, which attracts over a million visitors annually.

#### *Public Service & Volunteerism*

There is a strong sense of civic responsibility in the city. Volunteerism in economic development activities is a way of life in New Braunfels as witnessed in the diverse representation on the Boards of the New Braunfels Industrial Development Corporation, Greater New Braunfels Economic Development Foundation, Chamber of Commerce and the New Braunfels Downtown Board.

#### *Labor Market*

Texas is a right-to-work state, and New Braunfels has access to a growing 400,000+ trained labor pool in the region. It is also strategically located near ten colleges and universities, all of which are within a 30-minute commute of the city limits.

#### *Financial Capital*

The City Government's Capital Improvement Program (CIP) and the Chamber of Commerce's marketing and attraction funds, combined with Type B Economic Development Funds and Economic Development

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<sup>42</sup> International Economic Development Council (IEDC) Strategic Planning Training Course Manual. Washington, D.C. September, 2011. pgs. 115-116.

Foundation incentives, all work together to leverage public-private partnership programs to create a blended package of financing for economic development projects.

#### *Transportation*

The city has easy access to I-35 and I-10, which link the major metropolitan areas in South Central Texas, including the Port of Houston. Currently, there is a \$6 million project underway to extend the airport runway to better accommodate business and corporate jets.

#### *Access to Markets*

New Braunfels is located in the center of the Austin-San Antonio Corridor, providing strategic access to approximately 4 million people regionally. In the City of New Braunfels, employment has increased 37.8 percent since 2003.

#### *Knowledge & Networking Resources*

Building on its strong sense of community, the New Braunfels business community regularly engages the Chamber of Commerce, New Braunfels Manufacturing Association and Small Business Development Center (SBDC) to facilitate business retention and expansion.

#### *Education & Training*

Both the Comal and New Braunfels ISD foster career readiness training programs, and 1,300 students out of 2,100 total students are enrolled in career technology clusters, which include highly technical STEM educational offerings. The Alamo Colleges, in partnership with the New Braunfels Industrial Development Corporation and the Seguin Type A Economic Development Board, partnered to bring Alamo College's services to New Braunfels, Seguin and the surrounding area known as the Central Texas Technology Center (CTTC). Additionally, Howard Payne University announced in spring 2012 that it will be building a satellite campus in New Braunfels. Wayland Baptist University announced in summer 2012 that it will also be offering classes in New Braunfels in the winter 2012 semester.

#### *Business Climate*

Strong public-private partnerships locally and regionally have become the foundation of the New Braunfels economic development system. Government responsiveness to infrastructure planning and development through its Capital Improvement Program, combined with competitive tax rates, has proven to foster a private-sector approach to the community's growth and development.

## **Weaknesses**

#### *Water and Natural Resources*

A comprehensive sustainability effort around natural resource conservation has yet to take root. New Braunfels is situated in a semi-arid region of the United States, so water quality and quantity issues should be a priority.

#### *Housing*

Workforce housing initiatives have had limited success, because zoning requirements are not favorable to higher density developments.

### *Labor Market*

Both hard skills (e.g. STEM) and soft skills (e.g. punctuality and language) were cited as lacking by a discussion panel of private sector employers.

### *Financial Capital*

Higher-risk financing options, such as micro-loan funds and angel capital for entrepreneurs, are difficult to attain in New Braunfels.

### *Transportation*

New Braunfels does not have a mass transit system and its residents are completely reliant on the automobile for transportation.

### *Sites and Facilities*

Excluding two large cotton mills located in the city limits, New Braunfels's commercial real estate, business attraction and expansion options are minimal. Specifically, there is a noticeable lack of available properties downtown in addition to a lack of properties over 15,000 square feet with high ceilings.

### *Business Climate*

The regulatory climate can be burdensome due to inconsistencies in the permitting and approval process. However, New Braunfels tax and regulatory climate does require constant monitoring to keep it a friendly place for development.

## **Opportunities**

### *Economic Development*

Population growth in New Braunfels and in the Austin-San Antonio Corridor continues to show signs of growth. The city is witnessing rapid growth in anchor institutions such as health care providers and institutions of higher education. The energy source from Eagle Ford Shale in South Central Texas will bring new industries to the region.

### *Entrepreneurial and Small Business Development*

There is a strong resurgence in entrepreneurial support training/services nationwide, and New Braunfels is a participant in that resurgence with its new Small Business Development Center (SBDC).

### *Utility Infrastructure*

New Braunfels Utilities (NBU) is uniquely positioned within the City Government to take a comprehensive approach to water resource planning in addition to its renewed focus on sustainable development initiatives (e.g. higher density and smart growth).

### *Cultural and Recreational Resources*

There are a number of Central Business District (CBD) upgrades, including connectivity and walkability initiatives, currently underway in New Braunfels. These will help build the shoulder-season tourism economy. These amenities can also be leveraged to attract and retain a more talented workforce in the city.

### *Minority Business Development*

With a growing Hispanic population in New Braunfels, there is potential for a new diversity of small businesses to strengthen the city's economic base.

### *Knowledge & Networking Resources*

Both Comal and New Braunfels ISDs are leading efforts to create new high school curriculums centered on career readiness. The expanding higher education opportunities in New Braunfels will likely foster new growth in innovation-led economic development, as well as growth in research partnerships with local employers.

### *Potential Demand for Higher-Density Housing*

Demographic shifts (e.g. downsizing of baby-boom generation) and the availability of low-interest financing have paved the way for higher density developments such as new urbanism.

## **Threats**

### *Facility Shortage for Business Attraction and Expansion*

There is an acute shortage of commercial space in New Braunfels for business expansion and there are few greenfield sites left for new development.

### *Infrastructure*

Sewer and drainage issues could however augment water quality and quantity challenges in the future.

### *Regulatory Bodies*

Inaction on the part of regulatory bodies to enact sustainable development policies could stifle smart growth and natural resource conservation efforts.

### *Business Retention & Expansion*

There is aggressive land pricing in neighboring communities surrounding New Braunfels, which could adversely affect business retention and expansion efforts without a clear non-compete agreement between regional economic development organizations.

### *Workforce Readiness*

Rising tuition costs have made it more difficult for students to finish higher education, which exacerbates the mismatch between educational offerings and private sector employer needs.

### *Workforce Housing*

There is an acute shortage of workforce housing (owner-occupied and rental) units in New Braunfels that could threaten business retention, expansion and attraction deals.

## B. Economic Development Overview and Profile of New Braunfels

### Introduction

The City of New Braunfels, Texas is located in both Comal (82.4percent) and Guadalupe (17.6 percent) counties in South Central Texas, and it is the county seat of Comal County. New Braunfels has a total land area of 43.87 square miles and water area of 0.4 square miles. The city is situated along the Balcones Fault and intersected by the Comal River, which feeds into the Guadalupe River. New Braunfels is approximately 30 miles northeast of San Antonio, Texas and 45 miles southwest of Austin, Texas.

Eight counties compose the San Antonio-New Braunfels Metropolitan Statistical Area (MSA): Atascosa, Bandera, Bexar, Comal, Guadalupe, Kendall, Medina and Wilson.<sup>43</sup> In 2010 the U.S. Department of Commerce Bureau of Economic Analysis (BEA) estimated the gross domestic product, or value of all goods and services produced, of the MSA at \$82,036 million. This total was 6.7 percent of the state of Texas's total GDP and represented a growth of approximately 5 percent from the previous year.<sup>44</sup>

Forbes's 2012 survey of "The Best Places for Business" ranked the San Antonio-New Braunfels MSA the thirteenth "Best Place for Businesses and Careers" as well as thirteenth in job growth. Similarly, of the 200 largest U.S. metropolitan cities surveyed, San Antonio-New Braunfels ranked as the 21<sup>st</sup> lowest in costs of doing business.<sup>45</sup> Rankings of the study were measured using 12 metrics relating to job growth, costs, income growth, educational attainment and projected economic growth. Factors relating to quality of life (i.e. crime rates, and cultural and recreational opportunities) are also considered in Forbes's ranking of Best Places.<sup>46</sup>

### Population Trends

U.S. Census data estimates the racial makeup of New Braunfels to be 86.8 percent White, 1.9 percent African American, 0.7 percent Native American, 1.0 percent Asian, 7.3 percent from other races, and 2.3 percent from two or more races. Hispanics and Latinos of any race makes up approximately 35 percent of the population.

According to Census data, the city's 2010 population was estimated at 57,740<sup>47</sup>, a 58.2 percent increase from the 2000 Census estimated population of 36,494. This rate of population growth in the last decade ranks higher than that of both Comal County and the San Antonio-New Braunfels MSA population growth from 2000 to 2010 (39 percent and 30 percent respectively), making New Braunfels one of the fastest growing cities in the state of Texas.<sup>48</sup> Figure 1 below indicates the rapid growth in population from 1990 to 2010.

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<sup>43</sup> [http://www.tracer2.com/admin/uploadedpublications/1729\\_sanantoniomsa.pdf](http://www.tracer2.com/admin/uploadedpublications/1729_sanantoniomsa.pdf).

<sup>44</sup> State of Texas GDP is estimated at \$1,222,904 million for 2010, Bureau of Economic Analysis.

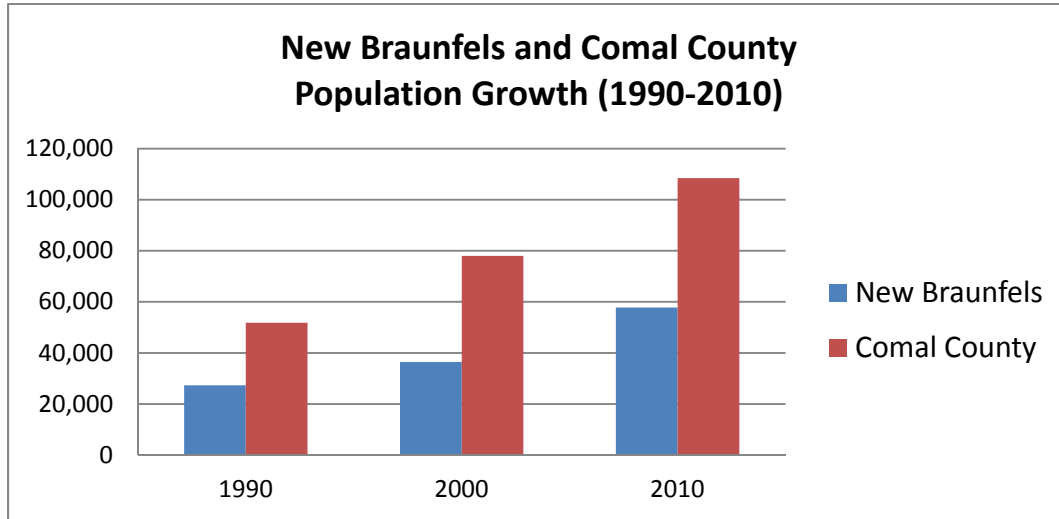
<sup>45</sup> <http://www.forbes.com/places/tx/san-antonio/>.

<sup>46</sup> <http://www.forbes.com/sites/kurtbadenhausen/2011/06/29/the-best-places-for-business-and-careers/2/>.

<sup>47</sup> U.S. Census Bureau, State & County Quick Facts.

<sup>48</sup> U.S. Census Bureau, General Population Characteristics.

**Figure 1** illustrates New Braunfels’s and Comal County’s rapid population increase from 1990 – 2010.



### Income Trends

About 7.7 percent of families and 12.1 percent of the population are currently living below the poverty line. This is below the same average for both the State of Texas (16.8 percent) and the national (13.8 percent).<sup>49</sup>

The per capita income of New Braunfels increased from \$18,548 in 2000 to \$25,975 in 2010, which was an increase of 40 percent.<sup>50</sup> Similarly, the per capita income of Comal County increased nearly 48 percent (from \$21,914 to \$32,419), while the per capita income of the San Antonio-New Braunfels MSA actually decreased from \$26,853 in 2010 to \$23,434 in 2000.

The estimated median income for a New Braunfels household in 2010 was \$56,334, which is greater than the State of Texas estimate of \$49,646.<sup>51</sup> However, the 2010 median household income for New Braunfels is just 89.8 percent of Comal County’s median household population for the same year, (\$62,735). Conversely, the San Antonio-New Braunfels MSA median household income for 2010 is 89 percent of the City’s 2010 median household population, (at \$50,225 for 2010) having increased only 16 percent from 2005 to 2010.

Mean household income of New Braunfels also increased over the 2000-2010 period (from \$47,218 to \$69,644) by approximately 47.5 percent. This increase ranks the 2010 mean household income of New Braunfels as higher than that of the San Antonio-New Braunfels MSA (\$65,367) but still below the 2010 mean household income of Comal County (\$85,780).

<sup>49</sup> Ibid.

<sup>50</sup> U.S. Census Bureau Statistics, 2000, 2005 and 2010.

<sup>51</sup> U.S. Census Bureau: State and County QuickFacts. Data derived from Population Estimates, American Community Survey, Census of Population and Housing, County Business Patterns, Economic Census, Survey of Business Owners, Building Permits, Consolidated Federal Funds Report, Census of Governments.

Figures 2, 3 & 4 illustrate the growth of the per capita income, median household income and mean household income levels of the city of New Braunfels, Comal County and the San Antonio-New Braunfels MSA from 2000 to 2010.

Figure 2: New Braunfels Area Income, 2000 & 2010

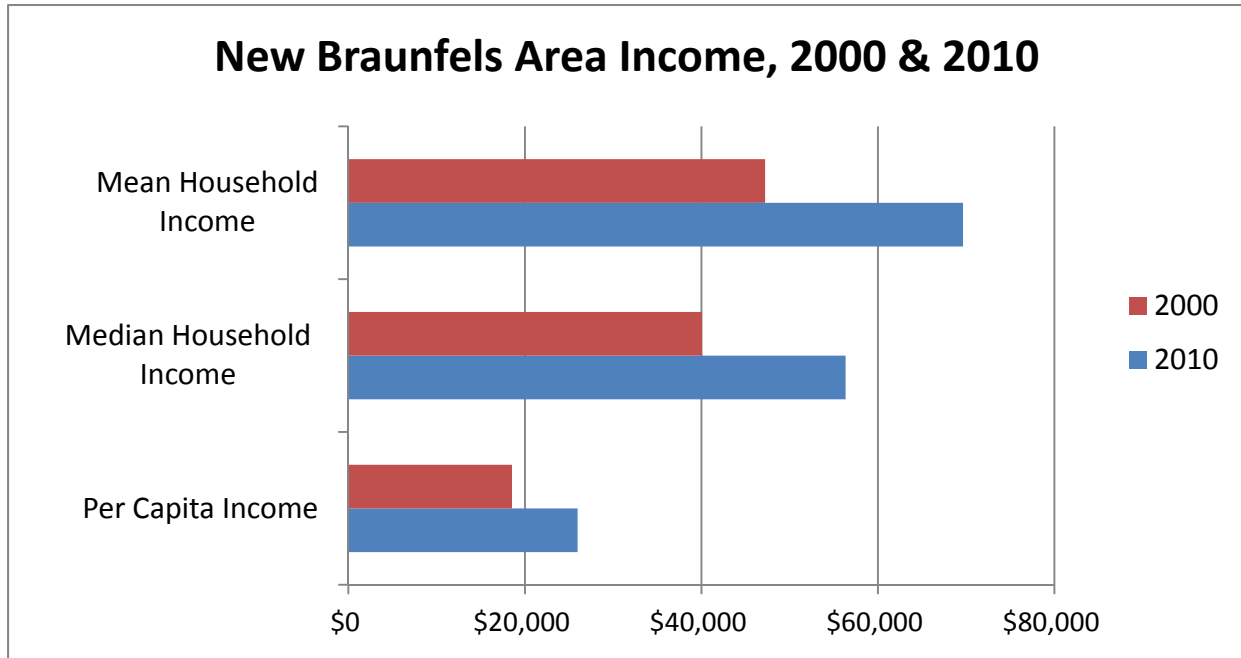


Figure 3: Comal County Area Income, 2000 & 2010

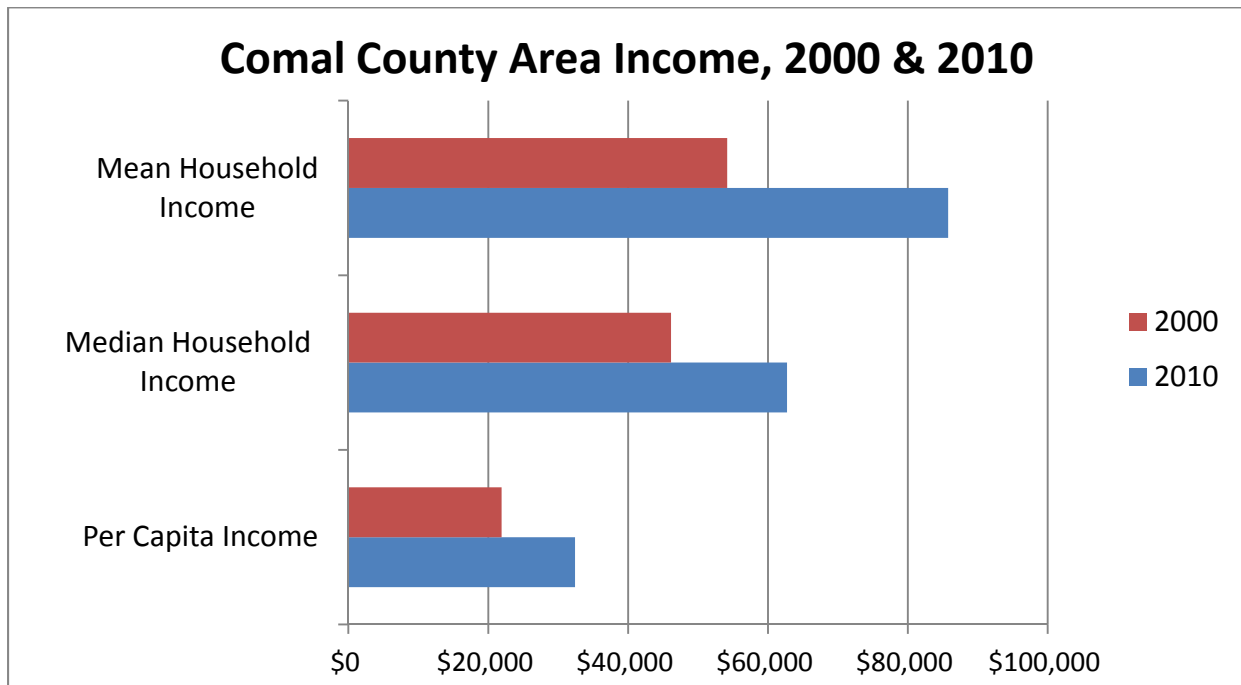
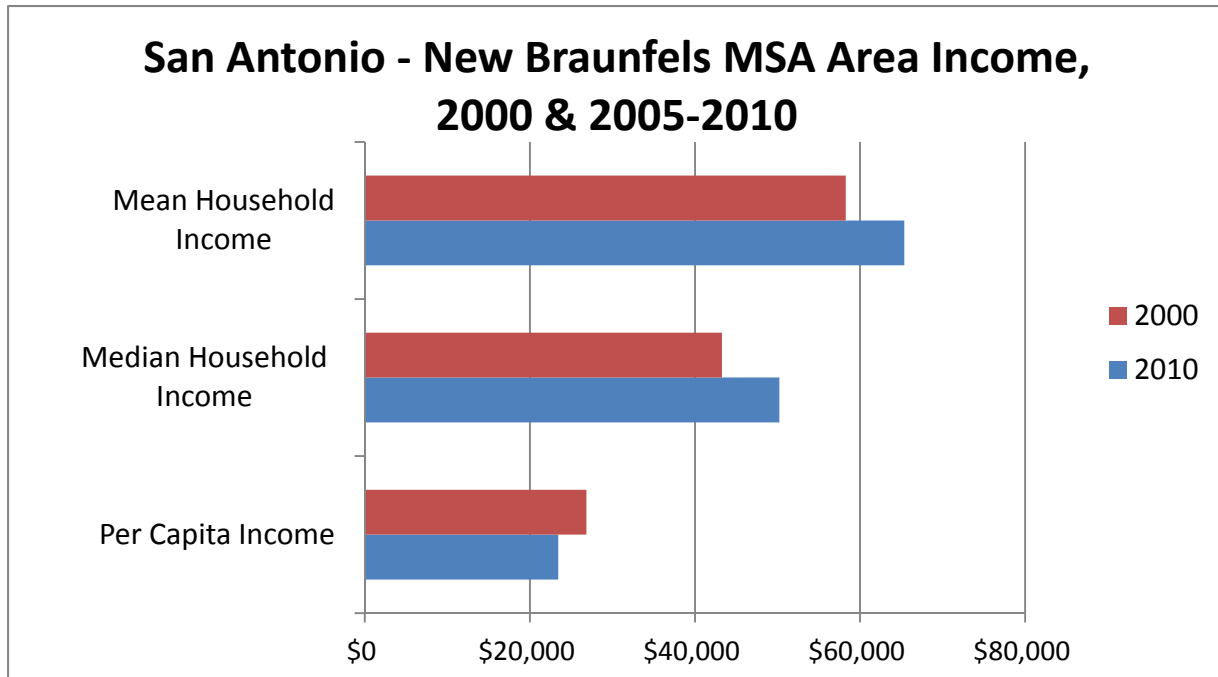




Figure 4: New Braunfels – San Antonio MSA Area Income, 2000 & 2005-2010



(Source: U.S. Census Bureau 2000-2005)

\*Note: The San Antonio-New Braunfels MSA data for Mean Household Income and Medium Household Income is based on 2005 Census data.

### Unemployment

According to the U.S. Bureau of Labor Statistics, over the last five years unemployment rates in New Braunfels have been consistently lower than that of Comal County, the San Antonio-New Braunfels MSA, the state of Texas and the United States over the same time period. The unemployment rate across all five areas rose from 2007, reaching peaks in 2010 and 2011, after which all rates dropped between the 2011 and 2012 time period. In May 2012, the unemployment rate for New Braunfels fell to 5.3 percent, which is lower than Comal County (6.2 percent), the San Antonio-New Braunfels MSA (6.6 percent), and considerably lower than the state of Texas (~6.9 percent) and U.S unemployment rates (8.3 percent). Moreover, New Braunfels’s peak unemployment rate of 6.1 percent in 2011 still remained 1 percent or lower than the MSA, state and national unemployment rates.

**Table 1** displays the average annual unemployment rates for the city of New Braunfels, San Antonio-New Braunfels MSA, Comal County, Texas and the U.S.

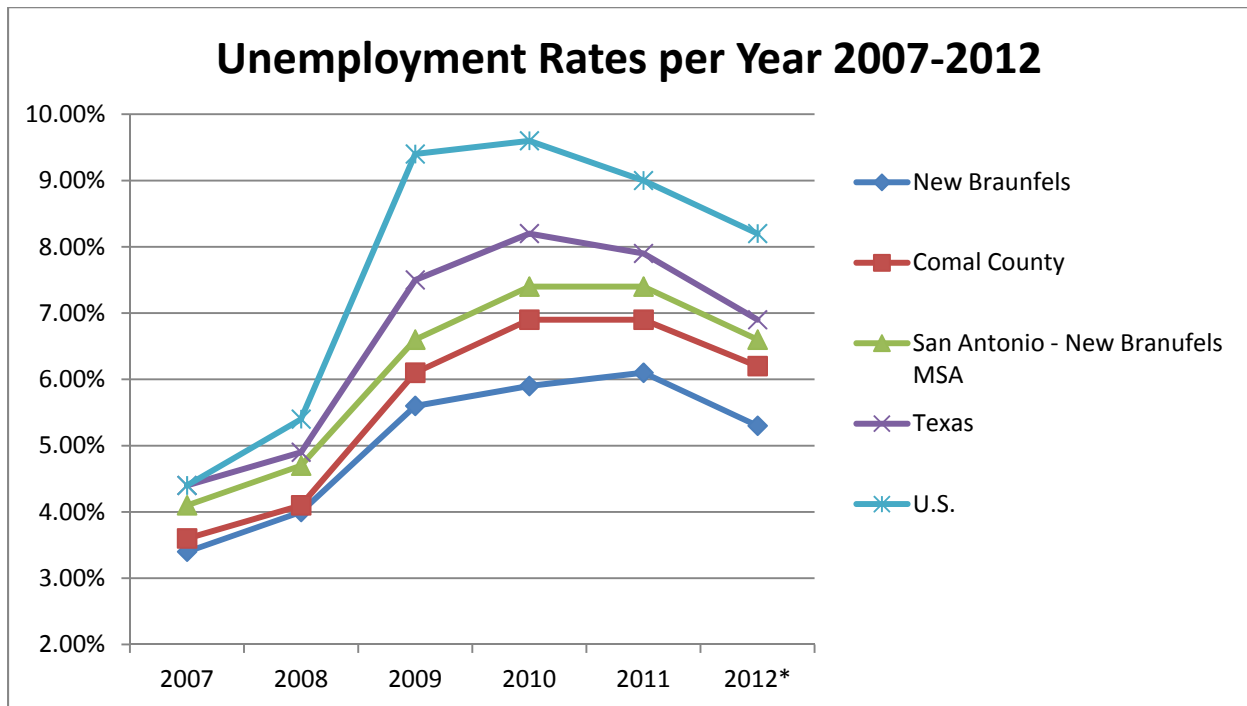
**Table 1: New Braunfels Average Area Unemployment Rate, 2007-2012**

Average Annual Unemployment Rate					
Year	New Braunfels City	Comal County	San Antonio-New Braunfels MSA	Texas	U.S.*
2007	3.4%	3.6%	4.1%	4.4%	4.4%
2008	4.0%	4.1%	4.7%	4.9%	5.4%
2009	5.6%	6.1%	6.6%	7.5%	9.4%
2010	5.9%	6.9%	7.4%	8.2%	9.6%
2011	6.1%	6.9%	7.4%	7.9%	9.0%
2012	5.3%*	6.2%*	6.6%*	6.9%*	8.2%*

(Source: U.S. Bureau of Labor Statistics)

\* 2012 based on preliminary data for May, 2012

\* U.S. rates based on month of May of each year



### Employment by Sector

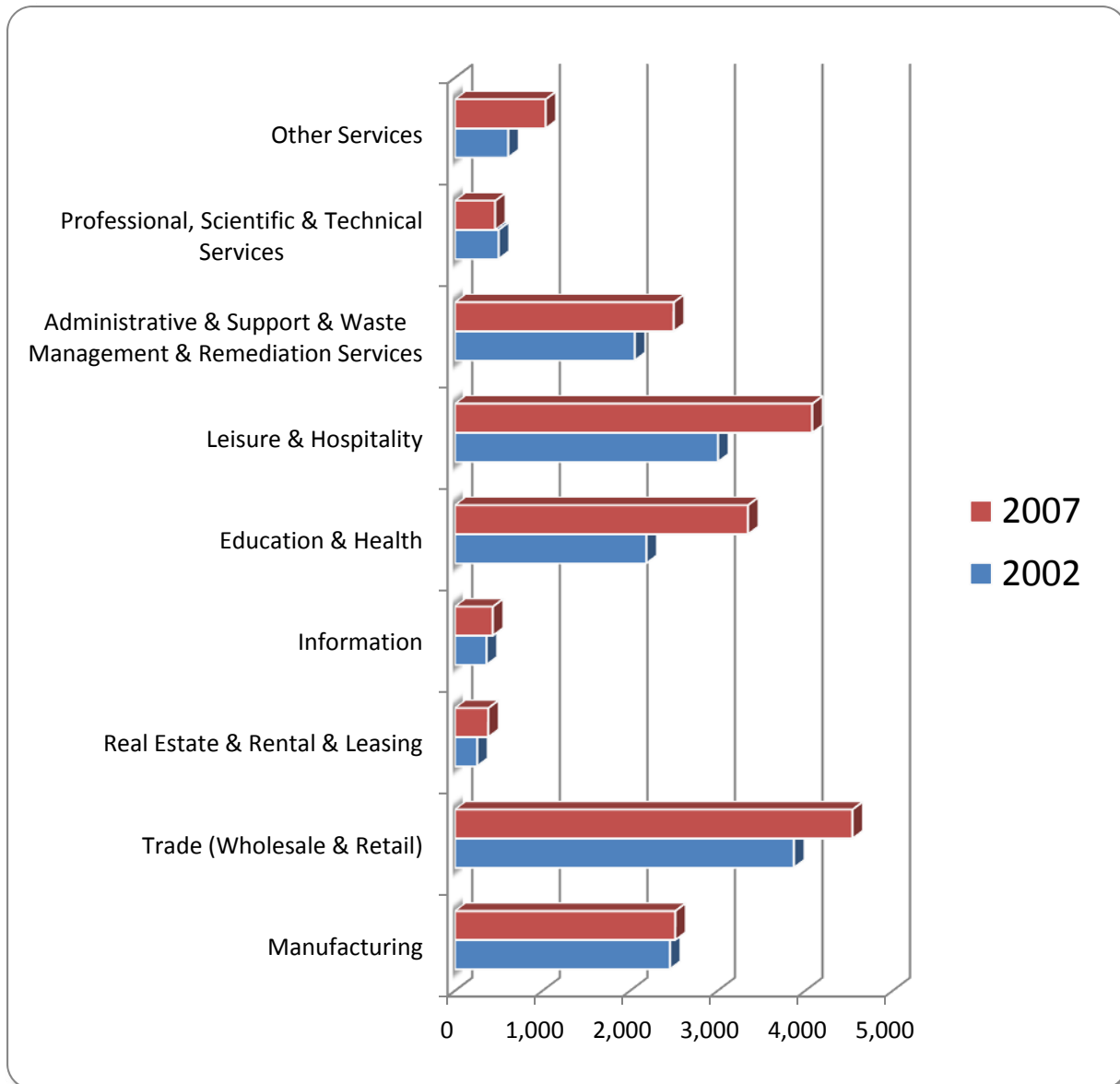
**Figures 5-7** illustrate the breakdown of total employment per sector in the city of New Braunfels, Comal County and the San-Antonio-New Braunfels MSA in 2002 and 2007.

As **Figure 5** indicates, the City's largest employment sectors include Education and Health, Leisure and Hospitality, and Trade (Wholesale and retail), for which employment increased substantially from 2002 to 2007 (53 percent, 35.8 percent and 17.3 percent, respectively).

While the city’s employment rates show no significant losses in any large employment sector, the Manufacturing sector showed one of the smallest growth rates from 2002 to 2007 with an increase of 2,456 to 2,516, or 2.4 percent. Conversely, the Real Estate sector showed a growth of 49.6 percent from 2002 to 2007. Additionally, the Information and Professional, Scientific and Technical Services sectors showed little growth.

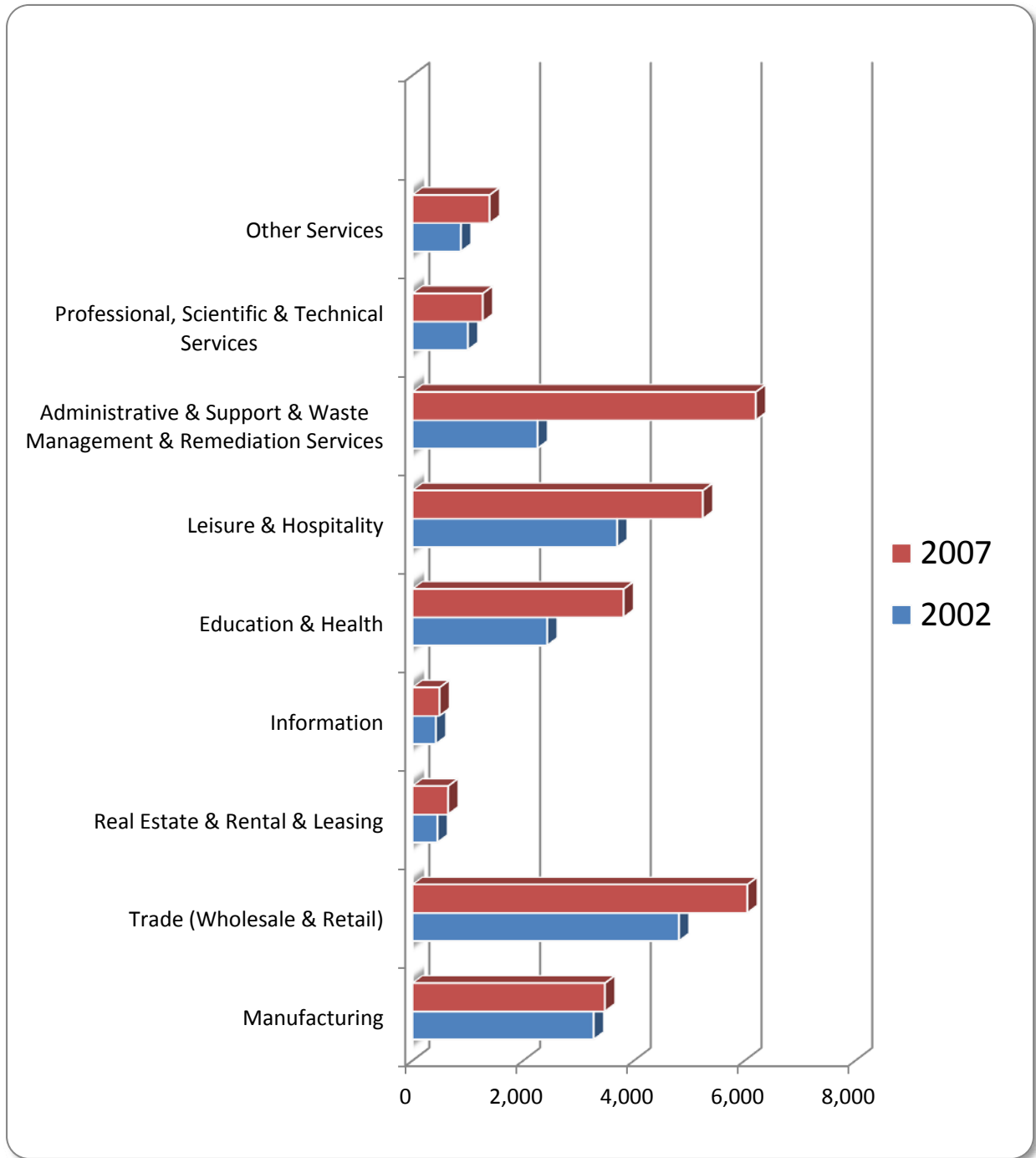
**Figures 6 and 7** show similar patterns of employment by sector growth in Comal County and the San Antonio-New Braunfels MSA from 2002 to 2007, with the Information sector of the MSA showing the only loss in employment across the three areas, falling from 26,735 in 2002 to 23,541 in 2007.

**Figure 5: Private Employment by Sector, New Braunfels City (2002, 2007)**



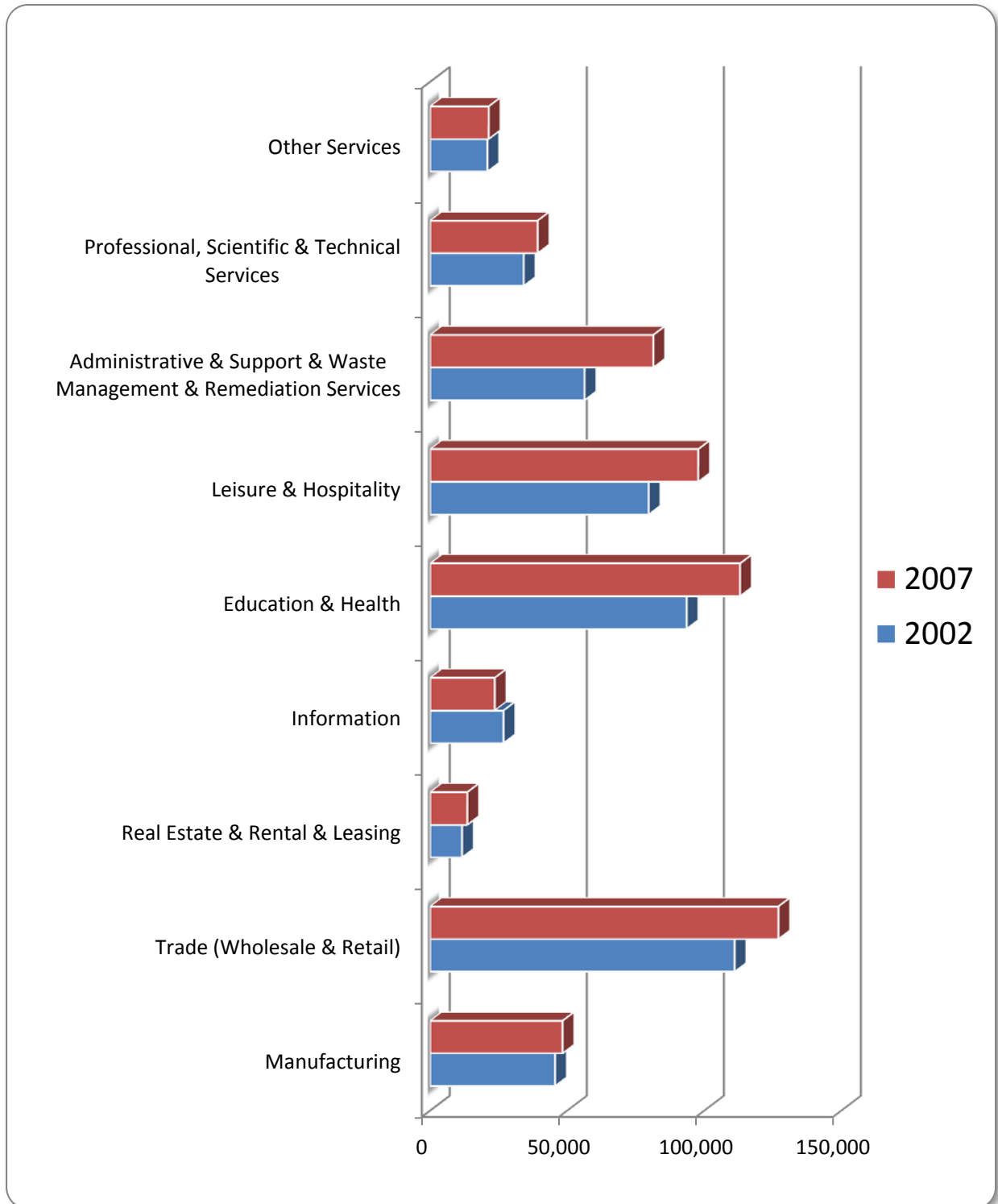
*(Source: U.S. Economic Census: 2000, 2007) – Please note that government employees (i.e., NAICS Code 92) are not included in the data because the Economic Census does not collect this data.*

**Figure 6: Private Employment by Sector, Comal County (2002, 2007)**



*(Source: U.S. Economic Census: 2000, 2007) – Please note that government employees (i.e., NAICS Code 92) are not included in the data because the Economic Census does not collect this data.*

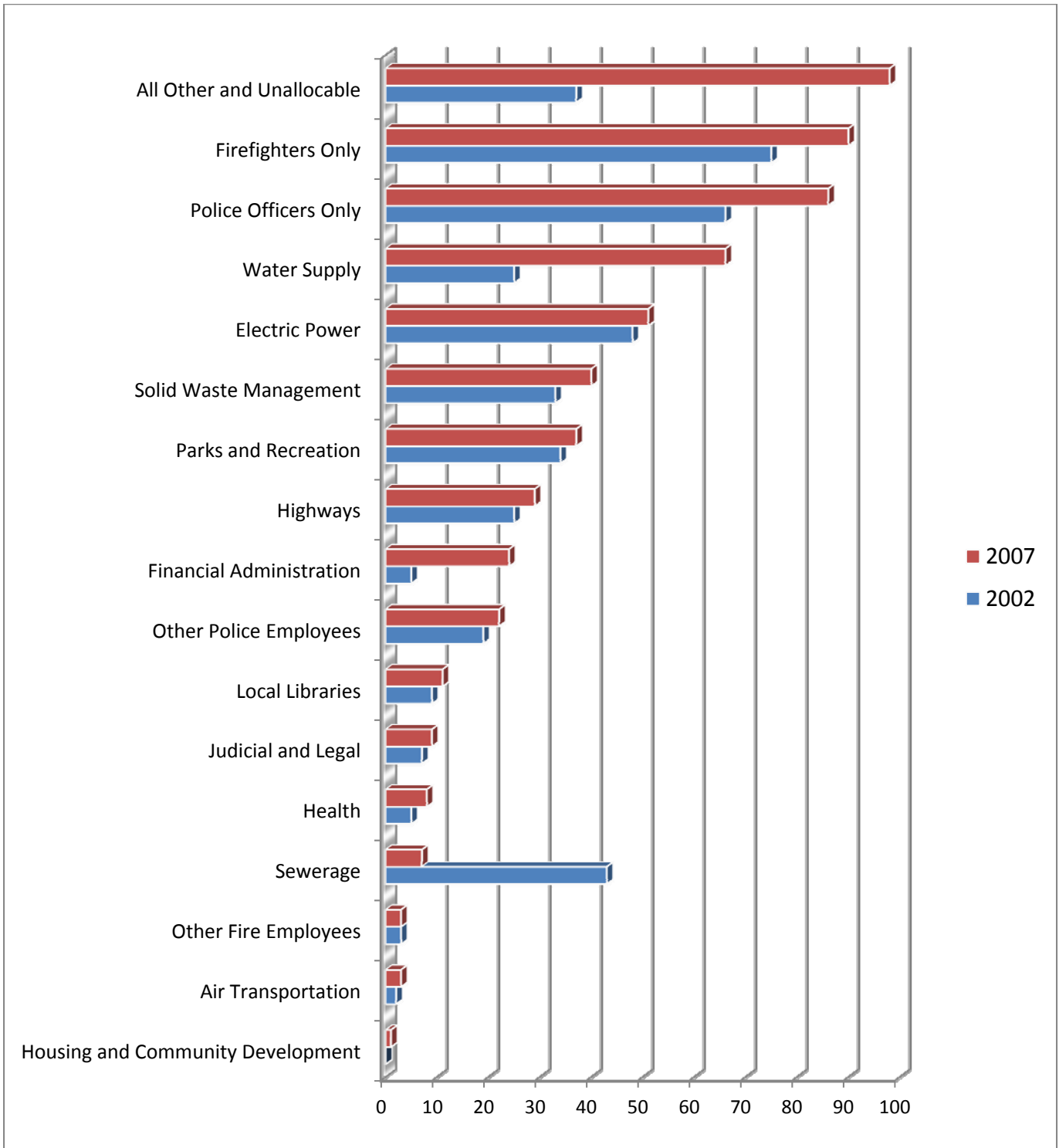
**Figure 7: Private Employment by Sector, San Antonio-New Braunfels MSA (2002, 2007)**



*(Source: U.S. Economic Census: 2000, 2007) – Please note that government employees (i.e., NAICS Code 92) are not included in the data because the Economic Census does not collect this data. See next page for municipal government employment statistics.*

**Figures 8 Government Employees by Function, City of New Braunfels (2002, 2007)**

New Braunfels municipal services have grown in concert with its rapid population growth. Two specific government functions that have outpaced all others are water supply and financial administration.



SOURCE: 2002 & 2007 Census of Government Employment. For information on sampling and non-sampling errors and definitions, see [http://www.census.gov/govs/apcs/how\\_data\\_collected.html](http://www.census.gov/govs/apcs/how_data_collected.html).

## Major Employers

New Braunfels has a diversified mix of public and private employers. The Independent School District (ISD) of Comal, one of two school districts servicing the city, is the largest employer with a workforce of approximately 2,300. The Scooter Store, a headquarters operation and call center, recently expanded its workforce to 1,784 making it the second largest employer. The Schlitterbahn Waterpark, a water-based amusement park has an estimated 1,689 employees; however, many of its employees are seasonal and also attend high school or college in the greater Comal/Guadalupe County region. New Braunfels is home to a large Wal-Mart Distribution Center and Christus Santa Rosa, which is a large hospital. Below is the list of New Braunfels' largest employers as of 2011 (*Source: New Braunfels Chamber of Commerce*).

Employer (2011)	Number of Employees
Seasonal Comal ISD School District	2,300
The Scooter Store	1,784
Schlitterbahn Waterpark	1,689
Wal-Mart Distribution Center	1,065
New Braunfels ISD	928
Christus Santa Rosa - New Braunfels	692
Comal County	587
HEB Retail Grocery	561
City of New Braunfels	508
Hunter Industries, Ltd.	500
Wal-Mart Super Center Retail Store	435
HD Supply Facilities Maintenance	461
Checks in the Mail	332
Caterpillar	150
Home Depot Retail Store	240
Eden Home	230
New Braunfels Utilities	220
GVTC Communications	218
Dean Word Company	215
Cemex/Cemex Balcones Quarry	206
Mid-Tex Oil	190
Ashley Furniture HomeStores Distribution Center	188
Senior Flexonics Pathway	187
Rush Enterprises, Inc.	182
A-Lert Roof Systems	159
New Braunfels Smokehouse	140
Symon Corporation	125
Coleman Company, Inc.	118

## Business Retention & Expansion

The City of New Braunfels, Texas has weathered the recent economic recession better than most U.S. cities. The city has continued to see double-digit growth in both sales tax and property tax throughout the past ten years.<sup>52</sup> As a result, property taxes remain competitive and below the average for cities of comparable size in the state. A closer look into the Chamber of Commerce’s business retention and expansion data indicates a clearer picture of the employment expansions and reductions in the last four years.

Many of New Braunfels’ private sector employers shed a small percentage of the total number of employees during the Great Recession of 2008-2009 through 2011. However, business expansions during that same period compensated for minimal employment losses and gave New Braunfels positive job growth each year from 2008-2011. The following table indicates the change in the number of jobs from 2007 to 2011. The year 2011 is broken down by jobs announced, retained and lost to clearly articulate the rapid growth in private sector employment in post-recession New Braunfels.

<u>New Braunfels Private Sector Employers</u>	<u>2007 Jobs</u>	<u>2008 Jobs</u>	<u>2009 Jobs</u>	<u>2010 Jobs</u>	<u>2011 Announced/ Created</u>	<u>2011 Retained</u>	<u>2011 Lost</u>
Totals	6,514	6,654	6,931	7,512	1,449	7,390	48

## Regionalism and Growth Clusters<sup>53</sup>

A metropolitan statistical area (metro) is a geographic entity defined by the Office of Management and Budget (OMB) to tabulate and publish Federal statistics. A metro area contains a core urban area with a population of 50,000 or more. Each metro area consists of one or more counties and includes the counties containing the core urban area, as well as any adjacent counties that have a high degree of social and economic integration (as measured by commuting to work) with the urban core.<sup>54</sup>

The City of New Braunfels is part of the San Antonio-New Braunfels, Texas metro. According to the U.S. Census Bureau, the San Antonio-New Braunfels, Texas metro is the third largest metro in Texas and the 24<sup>th</sup> largest metro in the U.S.<sup>55</sup> The San Antonio-New Braunfels, Texas metro includes the following counties.

- Atascosa County, Texas
- Bandera County, Texas
- Bexar County, Texas
- Comal County, Texas
- Guadalupe County, Texas
- Kendall County, Texas

<sup>52</sup> City of New Braunfels, TX Staff Interview, (February 2nd, 2012).

<sup>53</sup> Accessed June, 2012: <http://clustermapping.us/index.html#!view=scoreboard;url=/scoreboard/regions/regional-clusters-and-economic-performance>.

<sup>54</sup> U.S. Census Bureau, Population Division Internet Release Date: September 2010  
<https://www.census.gov/population/metro/files/lists/2009/List1.txt>.

<sup>55</sup> U.S. Census Bureau: American Fact Finder.

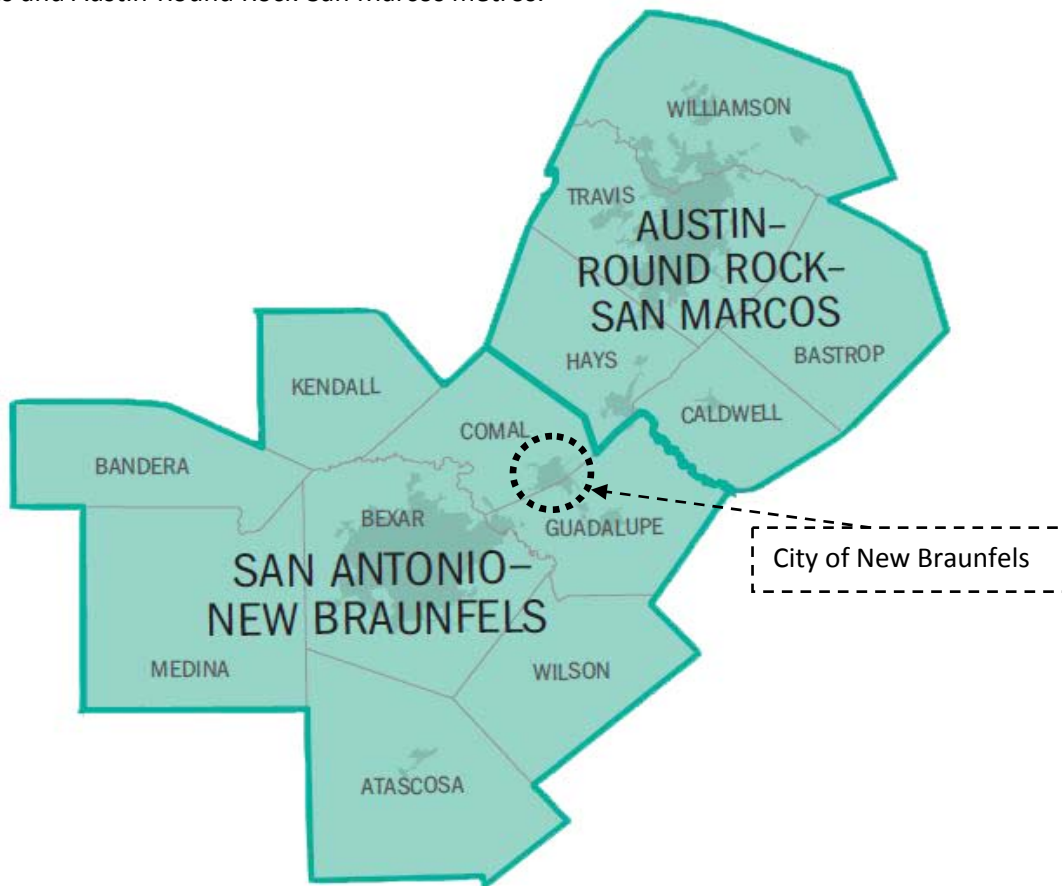


- Medina County, Texas
- Wilson County, Texas

The City of New Braunfels is also located adjacent to the Austin-Round Rock-San Marcos, Texas metro. According to the U.S. Census Bureau, the Austin-Round Rock-San Marcos, Texas metro is the fourth largest metro in Texas, and the 35<sup>th</sup> largest metro in the U.S.<sup>56</sup> The Austin-Round Rock-San Marcos, Texas metro includes the following counties.

- Bastrop County, Texas
- Caldwell County, Texas
- Hays County, Texas
- Travis County, Texas
- Williamson County, Texas

The circle below indicates where the City of New Braunfels is located respective to the San Antonio-New Braunfels and Austin-Round Rock-San Marcos metros.



Many businesses need resources not available in their immediate vicinity in order to be successful. For instance, in the case of developing successful entrepreneurial resources, the links to talent, capital and market are infrequently contained in discrete communities. Rather, they link across larger regions or

<sup>56</sup> U.S. Census Bureau: American Fact Finder.

multi-region networks.<sup>57</sup> The City of New Braunfels economic development leadership is well aware of the importance of regionalism and it has enlisted new partners and opportunities that increase its competitive advantage through organization development such as the 10-35 Economic Development Alliance. Regional partnerships, like the 10-35 Economic Development Alliance, do not replace the city or county economic development organization. Instead, it establishes a close working relationship between these organizations to combine assets, resources, data, and talents to identify and attract new prospects. The rapid growth of both the San Antonio-New Braunfels and Austin-Round Rock-San Marcos metros offers new economic development opportunities that should be regularly explored by the economic development leadership team in New Braunfels.

### **Regional Growth Clusters<sup>58</sup>**

Many economic development strategies are focused on developing regional growth clusters. Harvard Business School Professor Michael Porter's model of cluster interactions is drawn from the business strategy idea of the "value chain" in that a firm's competitive advantage derives from how it manages its activities: from product design and material procurement to logistics, sales and services.<sup>59</sup> Since most of these activities involve interactions with other firms, distributors and customers, the firm's geographic location becomes important to its value chain and its growth strategy.

Industries usually grow more rapidly when they are linked to clusters in the region and/or similar clusters in neighboring regions. According to Mr. Porter's work the more common reasons for cluster formation and development include: abundance of natural resources, specialized physical infrastructure, large pool of capital, skilled labor force, specialized local demand and prior existence of suppliers. The following data was gathered to better understand the regional growth clusters within and near the City of New Braunfels. Specifically, the data was gathered for the San Antonio-New Braunfels and Austin-Round Rock-San Marcos metros. The data focuses in on the following:

- Specialization by Traded Cluster [1998-2009] including Total Employment & Change in Share of National Cluster
- Employment by Traded Cluster, 2009 Top 10 Employment Industries and corresponding wages
- Job Creation by Traded Cluster [1998-2009] Top 10 Traded Clusters & % Change (+) in National Cluster Employment

In the table on the next page, the Construction Services, Financial Services, Transportation and Logistics, Automotive, Publishing and Printing and Aerospace Vehicles and Defense traded clusters have been highlighted, because from 1998-2009 they have shown significant change in the national cluster employment. Total employment by cluster was included to provide an accurate representation of the size of the cluster.

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<sup>57</sup> Managing EDOs Training Manual. International Economic Development Council. Washington, D.C. (2011) pgs. 112-113.

<sup>58</sup> The data provided in this section was taken from the cluster mapping project, which is part of Economic Development Administration's (EDA) Jobs and Innovation Partnership, a long-term prosperity plan to help build an environment where the private sector can flourish and create connections that will bring together vibrant regional economic ecosystems. The source for all data below is: Prof. Michael E. Porter, Cluster Mapping Project, Institute for Strategy and Competitiveness, Harvard Business School; Richard Bryden, Project Director. Copyright 2012 by the President and Fellows of Harvard College. All rights reserved. For more information please visit: <http://clustermapping.us>.

<sup>59</sup> Porter, Michael. The Competitive Advantage of Nations, New York: Free Press, (1990).

**Specialization by Traded Cluster, 1998-2010  
San Antonio - New Braunfels, TX Metropolitan Area**

<b>Cluster Name</b>	<b>Employment</b>	<b>Share of National Cluster Employment</b>	<b>Change in Share of National Cluster Employment</b>
Business Services	34325	0.632	-0.211
Heavy Construction Services	24163	1.934	0.904
Financial Services	23212	1.109	0.518
Hospitality and Tourism	22192	1.054	0.170
Education and Knowledge Creation	15649	0.515	-0.276
Transportation and Logistics	14148	0.810	0.429
Distribution Services	8787	0.447	-0.070
Processed Food	7417	0.575	0.117
Automotive	4859	0.623	0.455
Publishing and Printing	4561	0.570	0.214
Entertainment	3216	0.305	-0.074
Information Technology	3038	0.353	0.008
Building Fixtures, Equipment and Services	2629	0.618	0.083
Aerospace Vehicles and Defense	2510	0.752	0.298
Oil and Gas Products and Services	1906	0.354	-0.214
Metal Manufacturing	1841	0.214	-0.002
Footwear	1750	15.289	10.683
Medical Devices	1444	0.375	-0.018
Plastics	1395	0.250	-0.117
Analytical Instruments	1263	0.264	0.186
Production Technology	1224	0.259	0.116
Motor Driven Products	1135	0.496	-0.079
Agricultural Products	863	0.312	-0.303
Biopharmaceuticals	771	0.310	-0.060
Aerospace Engines	760	0.928	0.734
Heavy Machinery	708	0.242	-0.106
Chemical Products	666	0.197	-0.010
Textiles	619	0.332	0.070
Leather and Related Products	523	0.640	0.068
Forest Products	515	0.181	0.068
Communications Equipment	445	0.242	0.182
Construction Materials	393	0.277	-0.111
Jewelry and Precious Metals	372	0.473	0.128
Furniture	322	0.185	-0.364
Power Generation and Transmission	306	0.149	-0.034
Lighting and Electrical Equipment	275	0.147	-0.008
Prefabricated Enclosures	265	0.196	0.123
Apparel	90	0.072	-0.276
Tobacco	60	0.340	0.178
Sporting, Recreational and Children's Goods	50	0.091	-0.713
Fishing and Fishing Products	8	0.020	0.002

In the table below, the Financial Services, Heavy Construction Services, Transportation and Logistics, Hospitality and Tourism and Automotive traded clusters have been highlighted because from 1998-2009 these traded clusters posted the largest job creation numbers in the region.

<b>Job Creation by Traded Cluster, 1998-2010 San Antonio- New Braunfels, TX Metropolitan Area</b>			
<b>Cluster Name</b>	<b>Job Creation</b>	<b>Starting Employment</b>	<b>Percent Change in National Cluster Employment</b>
Financial Services	10313	12899	1.000
Transportation and Logistics	9153	4995	1.300
Heavy Construction Services	9151	15012	0.900
Hospitality and Tourism	3748	18444	1.000
Automotive	2420	2439	0.500
Processed Food	989	6428	0.900
Publishing and Printing	970	3591	0.800
Business Services	806	33519	1.400
Analytical Instruments	679	584	0.600
Aerospace Engines	575	185	0.900
Aerospace Vehicles and Defense	507	2003	0.800
Communications Equipment	190	255	0.400
Production Technology	189	1035	0.700
Distribution Services	78	8709	1.200
Prefabricated Enclosures	71	194	0.500
Forest Products	28	487	0.700
Medical Devices	16	1428	1.100
Tobacco	0	60	0.500
Fishing and Fishing Products	-2	10	0.700
Footwear	-10	1760	0.300
Jewelry and Precious Metals	-58	430	0.600
Entertainment	-106	3322	1.200
Power Generation and Transmission	-129	435	0.900
Information Technology	-181	3219	0.900
Biopharmaceuticals	-184	955	1.000
Leather and Related Products	-212	735	0.600
Lighting and Electrical Equipment	-230	505	0.600
Chemical Products	-326	992	0.700
Construction Materials	-388	781	0.700
Oil and Gas Products and Services	-546	2452	1.200
Heavy Machinery	-604	1312	0.800
Education and Knowledge Creation	-628	16277	1.500
Textiles	-717	1336	0.400
Building Fixtures, Equipment and Services	-762	3391	0.700
Agricultural Products	-882	1745	1.000
Sporting, Recreational and Children's Goods	-903	953	0.500
Motor Driven Products	-1175	2310	0.600

Metal Manufacturing	-1176	3017	0.600
Plastics	-1754	3149	0.700
Furniture	-1788	2110	0.500
Apparel	-2320	2410	0.200

The table below shows wages and employment data for the San-Antonio-New Braunfels MSA.

<b>Employment &amp; Wages by Traded Cluster, 2010</b>			
<b>San Antonio-New Braunfels, TX Metropolitan Area</b>			
<b>Cluster Name</b>	<b>Year</b>	<b>Employment</b>	<b>Wages</b>
Oil and Gas Products and Services	2010	1906	\$81,566
Financial Services	2010	23212	\$73,977
Business Services	2010	34325	\$56,539
Distribution Services	2010	8787	\$52,911
Heavy Construction Services	2010	24163	\$52,232
Analytical Instruments	2010	1263	\$49,935
Production Technology	2010	1224	\$47,164
Biopharmaceuticals	2010	771	\$47,000
Information Technology	2010	3038	\$45,849
Chemical Products	2010	666	\$45,662
Motor Driven Products	2010	1135	\$45,239
Medical Devices	2010	1444	\$44,898
Automotive	2010	4859	\$44,000
Transportation and Logistics	2010	14148	\$43,369
Processed Food	2010	7417	\$39,032
Education and Knowledge Creation	2010	15649	\$37,968
Heavy Machinery	2010	708	\$36,978
Publishing and Printing	2010	4561	\$35,819
Metal Manufacturing	2010	1841	\$35,098
Jewelry and Precious Metals	2010	372	\$33,555
Agricultural Products	2010	863	\$32,328
Power Generation and Transmission	2010	306	\$31,458
Leather and Related Products	2010	523	\$30,384
Construction Materials	2010	393	\$29,006
Building Fixtures, Equipment and Services	2010	2629	\$28,893
Sporting, Recreational and Children's Goods	2010	50	\$28,175
Furniture	2010	322	\$28,092
Fishing and Fishing Products	2010	8	\$28,000
Entertainment	2010	3216	\$26,369
Textiles	2010	619	\$23,990
Hospitality and Tourism	2010	22192	\$20,462

In the table below, the Distribution Services, Financial Services, Hospitality and Tourism, Communications Equipment and other traded clusters have been highlighted because from 1998-2009 they have shown significant percentage change in the national cluster employment. Total employment by cluster was included to provide an accurate representation of the size of the cluster.

<b>Specialization by Traded Cluster, 1998-2010 - Austin-Round Rock, TX Metropolitan Area</b>			
<b>Cluster Name</b>	<b>Employment</b>	<b>Share of National Cluster Employment</b>	<b>Change in Share of National Cluster Employment</b>
Business Services	56234	1.035	0.286
Distribution Services	25869	1.315	0.698
Education and Knowledge Creation	13334	0.439	0.074
Financial Services	13173	0.629	0.211
Hospitality and Tourism	12445	0.591	0.237
Information Technology	11137	1.293	-1.965
Analytical Instruments	7304	1.528	-0.535
Heavy Construction Services	7007	0.561	0.104
Entertainment	4627	0.439	0.060
Publishing and Printing	3931	0.491	0.114
Transportation and Logistics	3847	0.220	0.003
Communications Equipment	2995	1.631	1.028
Biopharmaceuticals	2148	0.863	0.091
Medical Devices	2056	0.534	-0.123
Building Fixtures, Equipment and Services	1937	0.456	0.197
Processed Food	1825	0.141	-0.026
Metal Manufacturing	1801	0.209	0.135
Oil and Gas Products and Services	1372	0.255	0.088
Motor Driven Products	1205	0.526	0.300
Jewelry and Precious Metals	921	1.172	0.382
Construction Materials	884	0.624	0.247
Power Generation and Transmission	881	0.430	0.413
Prefabricated Enclosures	830	0.613	0.370
Agricultural Products	757	0.274	0.033
Lighting and Electrical Equipment	742	0.397	0.041
Plastics	731	0.131	-0.023
Automotive	690	0.088	-0.011
Production Technology	582	0.123	0.067
Heavy Machinery	457	0.156	0.009
Apparel	445	0.354	0.332
Furniture	438	0.252	0.110
Aerospace Engines	435	0.531	0.075
Leather and Related Products	395	0.484	-0.003
Chemical Products	225	0.067	-0.125
Forest Products	130	0.046	0.023
Textiles	102	0.055	0.005
Aerospace Vehicles and Defense	70	0.021	-0.191

Sporting, Recreational and Children's Goods	54	0.098	0.050
Footwear	10	0.087	0.035
Fishing and Fishing Products	10	0.025	0.007

In the table below, the Business Services, Distribution Services, Education and Knowledge Creation, Hospitality and Tourism and Financial Services traded clusters have been highlighted because from 1998-2009 these traded clusters posted the largest job creation numbers in the region.

<b>Job Creation by Traded Cluster, 1998-2010 - Austin-Round Rock, TX Metropolitan Area</b>			
<b>Cluster Name</b>	<b>Job Creation</b>	<b>Starting Employment</b>	<b>Percent Change in National Cluster Employment</b>
Business Services	26453	29781	1.400
Distribution Services	15470	10399	1.200
Education and Knowledge Creation	5838	7496	1.500
Hospitality and Tourism	5064	7381	1.000
Financial Services	4039	9134	1.000
Entertainment	1306	3321	1.200
Transportation and Logistics	1000	2847	1.300
Power Generation and Transmission	841	40	0.900
Metal Manufacturing	762	1039	0.600
Oil and Gas Products and Services	653	719	1.200
Communications Equipment	447	2548	0.400
Heavy Construction Services	348	6659	0.900
Building Fixtures, Equipment and Services	297	1640	0.700
Motor Driven Products	295	910	0.600
Apparel	293	152	0.200
Prefabricated Enclosures	180	650	0.500
Production Technology	172	410	0.700
Biopharmaceuticals	153	1995	1.000
Publishing and Printing	126	3805	0.800
Construction Materials	125	759	0.700
Agricultural Products	73	684	1.000
Forest Products	31	99	0.700
Aerospace Engines	0	435	0.900
Fishing and Fishing Products	0	10	0.700
Sporting, Recreational and Children's Goods	-3	57	0.500
Footwear	-10	20	0.300
Jewelry and Precious Metals	-62	983	0.600
Heavy Machinery	-98	555	0.800
Furniture	-107	545	0.500
Textiles	-153	255	0.400
Leather and Related Products	-230	625	0.600
Medical Devices	-329	2385	1.100

Lighting and Electrical Equipment	-418	1160	0.600
Processed Food	-524	2349	0.900
Plastics	-592	1323	0.700
Chemical Products	-690	915	0.700
Automotive	-750	1440	0.500
Aerospace Vehicles and Defense	-865	935	0.800
Analytical Instruments	-8074	15378	0.600
Information Technology	-19299	30436	0.900

The table below shows the wages and employment for clusters in the Austin-Round Rock MSA.

<b>Employment by Traded Cluster, 2010 - Austin-Round Rock, TX Metropolitan Are</b>			
<b>Cluster Name</b>	<b>Year</b>	<b>Employment</b>	<b>Wages</b>
Power Generation and Transmission	2010	881	\$122,000
Information Technology	2010	11137	\$91,326
Distribution Services	2010	25869	\$90,381
Oil and Gas Products and Services	2010	1372	\$84,805
Business Services	2010	56234	\$81,830
Financial Services	2010	13173	\$76,146
Analytical Instruments	2010	7304	\$68,297
Jewelry and Precious Metals	2010	921	\$66,589
Heavy Machinery	2010	457	\$62,547
Education and Knowledge Creation	2010	13334	\$60,652
Publishing and Printing	2010	3931	\$52,991
Heavy Construction Services	2010	7007	\$49,252
Production Technology	2010	582	\$45,720
Transportation and Logistics	2010	3847	\$43,550
Metal Manufacturing	2010	1801	\$41,205
Sporting, Recreational and Children's Goods	2010	54	\$40,341
Lighting and Electrical Equipment	2010	742	\$39,918
Plastics	2010	731	\$38,247
Building Fixtures, Equipment and Services	2010	1937	\$36,778
Agricultural Products	2010	757	\$35,644
Construction Materials	2010	884	\$34,655
Medical Devices	2010	2056	\$31,839
Entertainment	2010	4627	\$30,575
Furniture	2010	438	\$28,919
Processed Food	2010	1825	\$27,655
Hospitality and Tourism	2010	12445	\$23,551
Textiles	2010	102	\$23,095
Chemical Products	2010	225	\$16,171
Biopharmaceuticals	2010	2148	\$10,826



## **New Braunfels Targeted Industries (Economic Development Marketing Plan)**

The Greater New Braunfels Chamber of Commerce indicated the following targeted industries in its 2011 – 2012 *Build NB Economic Development Marketing Strategy*.

### **Aviation-Related Activities**

Signs point to a recovery in the aerospace industry, in which the U.S. is still a global leader. Increasing trends in aviation outsourcing can bring greater opportunities for recruitment. Potential niches include parts suppliers, aircraft maintenance, repair and operations (MRO) services, aircraft rebuilding, avionics (electronic equipment) and general or corporate aviation.

### **Healthcare & Related Medical Technologies**

Workforce shortages have become critical in the healthcare, biomed and related medical fields. Development of a partnership with healthcare providers, local educators, and the Central Texas Technology Center can provide support. Potential programs can encourage, recruit, educate, and place trained professionals within the healthcare industry to alleviate pressure in the industry.

### **Data Centers**

With the National Security Agency and companies such as Microsoft, Stream Realty, Christus Health and an emerging Lowe's large data center cluster just 30-minutes south in San Antonio, a high-wage, reciprocal-skilled workforce will emerge and expand throughout the region. New Braunfels is credited with low power rates and certified consistent supply, fiber infrastructure and a stable, modern environment free from natural disasters. Potential target companies include those looking for a build-to-suit option due to the high availability of shovel-ready sites.

### **Logistics/Distribution**

With Texas emerging as a logistics center due to the NAFTA trade, and employment forecasts calling for continued growth along the San Antonio-Austin corridor, the logistics/distribution industry is on a continued growth pattern and can easily be linked to other targets such as automotive and specialty foods. Potential niches include specialized trucking and warehousing, automotive parts distribution and food distribution. Additionally, New Braunfels has an excellent transportation infrastructure, access to major growing markets and a proven distribution hub (HEB, Wal-Mart, Ashley Furniture, and Sysco Foods).

### **Telecom/Information**

Within the industry of Telecom/Information, strong growth forecasts along the San Antonio-Austin corridor are expected. Bringing in higher wages, this industry helps to fill gaps in regional economies and can be considered a gateway to the professional services industry. Potential niches include data storage and processing; call centers/back office and telecom, as well as the benefit of letting commuters work at home.

### **Specialty Foods**

The Specialty Foods market is one of the fastest growing manufacturing industries and the U.S. still remains competitive in both the areas of commodities and wages. Plentiful target opportunities have been identified and potential niches include the Hispanic market, snack foods, frozen specialty foods and organic/locally grown foods.

### **Automotive Suppliers**

The shift in the automotive industry has turned toward the South and Southwest U.S., and additional announcements in Texas are likely in the next few years. These jobs offer higher manufacturing wages and can be considered a gateway to avionics/aeronautics. Potential niches include Toyota suppliers, stampings, automotive plastics, automotive electronics and instruments, and heavy machinery-related supplies.

### **Music Industry**

Located within city limits, the Historic District of Gruene is home to Gruene Hall, Texas's oldest dance hall. Nationally known artists frequent Gruene Hall, increasing exposure and opportunity for growth via the attraction of suppliers a primary job sector of the music industry. Similarly, there is added potential for recognition of Gruene as a music headquarters, as versatile venues and a variety of music are becoming important to artists and their producers.

The Build NB Economic Development Marketing Strategy will be updated in the next few months and IEDC hopes that the data it provided on the San Antonio-New Braunfels MSA and Austin-Round Rock MSA will help build linkages between the regional growth clusters and the New Braunfels industry targets. The Build NB targets indicated above, such as Aviation-Related Activities and Healthcare & Related Medical Technologies, are specific to the New Braunfels local economy; but, other targets such as Education and Knowledge Creation and Communications Equipment may have wider regional implications for the city.

## **C. Economic Development Delivery System**

### **The City Government of New Braunfels, TX**

The City staff works directly with the New Braunfels economic development stakeholders and has established a strong communication channel, through the development coordinator staff position, to regularly inform the City Council of the economic development process as it unfolds, no matter the size and scope of the prospective deal. The City staff is required to assess the risk of each Type B investment to prepare and accurately inform the City Council before a vote is taken on any financial allocation. Specifically, the City staff is involved in all economic development negotiations and it performs return on investment (ROI) calculations to provide specific data points for the New Braunfels Industrial Development Corporation and City Council to cite when affirming the use of economic development funding mechanisms. Also, the New Braunfels Industrial Development Corporation has an Advisory Team composed of the Mayor, City Manager, Type B President, EDF Chairman, County Auditor and NBU CEO that is briefed monthly on all economic development activity by the Chamber President.

#### *Economic Development Finance Tools*

The City's economic development financing tools include various tax abatements, Type B investments, tax increment reinvestment zones (TIRZ), Chapter 380/381 economic development agreements as well as grants and loans that can be provided to eligible prospects by the City Council and Commissioners Court.<sup>60</sup> The New Braunfels City Council reviews and votes to approve all tax abatement and Type B economic development outlays. The City also receives economic development funding through the State of Texas, including the following types.

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<sup>60</sup> Accessed March, 2012: <http://www.nbcham.org/econ/local.aspx>.

- CDBG (e.g. housing rehabs, façade improvements, drainage)
- HOME funds (Texas Dept. of Housing and Community Affairs)
- FEMA (e.g. post-disaster funding)
- Homeland Security Grants

The City of New Braunfels's Type B Economic Development Corporation (i.e. New Braunfels Industrial Development Corporation - NBIDC) administers an estimated \$4 million in economic development investments per year. The NBIDC issues loans and grants funded by the Type B sales tax to support business retention and expansion. The revenues from the Type B sales tax can be used to fund a wide variety of projects including land, buildings, equipment, facilities expenditures and improvements related to projects defined in Section 2 of the Act or found by the NBIDC to be required or suitable for use for other projects, including quality of life projects.

Each Type B investment is tailored for a company's needs and based on the number of jobs, amount of wages above the average county or industry wage and capital investment to the community. The Chamber and City staff work with each prospect to better understand their site and facility needs and workforce requirements to create jobs in New Braunfels. Then, an incentive package is organized with a blended package of economic development incentives/investments that leverage Type B funding.

A Tax Increment Reinvestment Zone (TIRZ), or "Tax Increment Financing" (TIF), is a tool that local governments can use to publicly finance needed structural improvements and enhance infrastructure within a defined area. New Braunfels has one established a TIRZ district in the city limits that covers the Town Center at Creekside development.<sup>61</sup>

The City of New Braunfels and Comal County also offer economic development incentives in accordance with Chapter 380/381 of the Texas Local Government Code. Grants and loans can be provided to eligible prospects by the City Council and Commissioners Court to promote development and diversification of the economy of the state, elimination of unemployment or underemployment in the state, and development and expansion of commerce in the state.<sup>62</sup> These have been employed most recently at the Westpointe Village development.

#### *Census-Designated Urbanized Area*

As a result of the 2010 Census, the City of New Braunfels achieved the census-designated urbanized areas threshold (i.e., UZA), with a population of 57,740. The City of New Braunfels and the City of Seguin are jointly pursuing the formation of a Regional Metropolitan Planning Organization (MPO) within Comal and Guadalupe Counties. In 1962, the United States Congress passed legislation requiring MPOs for all census designated urbanized areas (UZAs) with populations greater than 50,000 to provide program funding for transportation projects at a regional level. This establishes region-wide plans developed through intergovernmental collaboration, rational analysis and consensus-based decision making.

#### *Main Street Program*

There is a Main Street Program that is supported by the City's Downtown Board. It is currently implementing a design and connectivity plan that is infrastructure-based. The plan was completed in 2009, and it provides a set of catalytic design and development actions and policies to strengthen market opportunities and enhance the look and feel of the downtown core to make it an attractive,

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<sup>61</sup> Accessed March, 2012: <http://www.nbcham.org/econ/local.aspx>.

<sup>62</sup> Ibid.

vibrant, walkable, community-oriented district.

### **The New Braunfels Chamber of Commerce**

The Chamber of Commerce, under contract with Comal County, the Greater New Braunfels Economic Development Foundation (which is a private sector-funded, non-profit foundation), New Braunfels Utilities (NBU) and New Braunfels Industrial Development Corporation, provide the business recruitment and attraction services for economic development projects in New Braunfels. The 15-member Chamber staff is also responsible for tourism development and the New Braunfels Convention and Visitor's Bureau is housed inside the Chamber facilities. In addition to its staff members, the Chamber has a 24-member board of directors as well as a six-member executive committee.

The Chamber is a part of TexasOne, which is a state program that facilitates visits to global cities to market Texas communities. The Chamber has also developed a social media marketing strategy that includes up-to-date information sharing as well as engagement through Facebook, Twitter, LinkedIn, SlideShare, Flickr, YouTube and ZoomProspector.

### **Build NB**

The Chamber, City and Foundation are represented by the brand *Build NB*.<sup>63</sup> The *Build NB* brand, which is managed by the Chamber, serves as the single point of contact that offers corporate support for businesses looking to create new jobs—either by relocating new businesses or helping existing businesses expand in New Braunfels.

*Build NB* is staffed by four personnel, consisting of a Director of Economic Development, an Marketing and Research Director, an administrative assistant and the President and Executive Director of the Economic Development Foundation. The city sales tax corporation (NBIDC) expends approximately \$148,000 annually on these four positions combined (including insurance, benefits, taxes, etc.). This proportion equates to approximately 3.3 percent of the NBIDC's annual revenues.

Public funding for *Build NB* comes from the New Braunfels Industrial Development Corporation, New Braunfels Utilities (NBU) and Comal County. Private funding comes from entities including Goodwill, engineering firms, banks and the real estate, medical and manufacturing companies. Additionally, private funding comes from the Greater New Braunfels Economic Development Foundation (GNBEDF), a private foundation that partners with *Build NB* to pay a matching amount toward these professional services and staffing costs.

*Build NB* was also built to help the Chamber market its services to specific clusters. *Build NB* has indicated the following industry targets in its *Economic Development Marketing Strategy Report – Fiscal Years 2011 – 2012*.

- Aviation-Related Activities
- Healthcare and Related Medical Technologies
- Data Centers
- Logistics/Distribution
- Telecom/Information
- Specialty Foods

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<sup>63</sup> Accessed May, 2012: <http://www.nbcham.org/CWT/External/WCPages/chamber/Membership.aspx>.

- Automotive Suppliers
- Music Industry

### **10/35 Economic Development Alliance**

Regionally, the Chamber has formal economic development partnerships with neighboring cities. The 10/35 Economic Development Alliance is a partnership between *Build NB*, Schertz Economic Development Corporation<sup>64</sup> and Seguin Economic Development Corporation with a primary goal to recruit and retain business and industry within the region. The Alliance focuses on the following clusters: Aviation, IT/Data Centers, Manufacturing, Specialty Foods and Warehouse/Distribution. It is the second such partnership New Braunfels has had with neighboring communities, with the first one having been dissolved a few years ago.

There is a non-compete agreement, which stipulates that economic development incentives will not be used to attract jobs from neighboring communities, in place with the cities of Seguin and Schertz, however there is no such agreement in place with San Marcos, San Antonio or Austin. The San Antonio Economic Development Foundation (EDF) plans to undertake an eight-county strategic planning effort within the next several months for which New Braunfels/Comal County will be invited to join, building a working regional relationship between the two cities.

### **Small Business Development Center**

The New Braunfels Industrial Development Corporation funded phase one of The Center for Entrepreneurship (TCE) that initially created a culinary arts incubator. TCE now utilizes the University of Texas at San Antonio's SBDC to operate a satellite office located in a downtown building offering a full range of services.

Funding for the SBDC's services the first year were provided by the New Braunfels Industrial Development Corporation in New Braunfels (50%), the Type A Board in the City of Seguin (25%) and the City of Schertz (25%). Year two will be provided by the New Braunfels Industrial Development Corporation (66%) and the Seguin Type A Board (33%).<sup>65</sup> The Center for Entrepreneurship funds the SBDC operations through a Sponsored Program Agreement with the UTSA to operate the SBDC Satellite Office (totaling \$142,187) and the Rent and Utilities for Satellite Office (totaling \$26,400). The Center of Entrepreneurship's Board currently acts in an advisory capacity to the SBDC and is exploring ways to further expand upon the SBDC's offerings and networks.

## **D. Summary of Economic Development Resources**

### **Workforce and Higher Education<sup>66</sup>**

The City of New Braunfels currently has limited options for higher education. The Alamo Colleges offer courses through NBISD's Learning Center and the Central Texas Technology Center (CTTC). CTTC opened in 2004 at New Braunfels's municipal airport and offers workforce training solutions in addition to freshman- and sophomore-level courses, allowing students to carry out the first two years of a degree

<sup>64</sup> As of July, 2012 the Schertz Economic Development Corporation has left the 10-35 Economic Development Alliance.

<sup>65</sup> Center for Entrepreneurship Plan, UTSA SBDC – FY 2013

<sup>66</sup> New Braunfels Talent Project Report: TIP Strategies Inc., (2009)

program in New Braunfels before transferring elsewhere to complete a degree. CTTC also offers courses to complete requirements for licensing and certification in special trades in Texas as well.

In spring 2012, Howard Payne University in Brownwood, Texas announced it will be making a long-term commitment to the City of New Braunfels. Howard Payne University will be building a multi-million dollar campus and its educational offerings will include courses in computer information systems, nursing, engineering, and hospitality and tourism. It will take three years for Howard Payne to break ground on the new campus, but it will hold classes in the city at an alternate location in the meantime. Wayland Baptist University indicated in August 2012 that it will be opening a satellite campus in New Braunfels.

In Guadalupe County, Texas Lutheran University (TLU) is located in Seguin, which is about 15 miles from downtown New Braunfels. TLU offers four-year degree programs. Several other colleges and universities are within an hour's drive of New Braunfels, including Texas State University in San Marcos (about 18 miles from New Braunfels); the University of Texas and St. Edward's University in Austin (about 50 miles away); and several San Antonio-area schools including the University of Texas at San Antonio, Trinity University, St. Mary's University, University of the Incarnate Word and several Alamo Colleges campuses (all about 30 to 40 miles away).

## **Downtown**

The New Braunfels downtown serves as the central point for civic activity in the city and for Comal County. The Comal County Courthouse, Comal County office buildings, City Hall and the Civic Center are all located in the downtown area, providing a significant number of jobs. There are approximately 1,800 jobs currently located in the downtown area. The civic center, seasonal festivals, and downtown's close proximity to the Comal River also attract a large number of visitors each year.

In 2009, a downtown improvement plan was developed. During the planning process, the participants - a group of local stakeholders - identified the need for more housing/living space to fill gaps and improve walkability. The New Braunfels Downtown Association has an unpaid staff and is composed of retailers and merchants. More recently, a "buy local" campaign called "Shop New Braunfels First" was launched, but the program has yet to gain traction.

## **Tourism**

Each year both local residents and out-of-town visitors travel to the city for a number of German themed festivals such as Wurstfest, Wassailfest, and Wein and Saengerfest. The City of New Braunfels was founded in 1845 by German settlers and it is filled with old world heritage. In the summer the Comal River, which wraps around the northeast boundary of downtown, also attracts hundreds of thousands of visitors for river recreation activities, which include tubing, rafting and camping. There are also two major tourist destinations adjacent to downtown: Schlitterbahn, the largest water park in the U.S. and located walking distance from the heart of the city, and Gruene, a retail/entertainment center which is an approximate 10-minute drive from downtown.

Between cultural tourism and tourist visits to the Comal River, it is estimated New Braunfels receives approximately two million visitors a year. According to a 2009 New Braunfels Economic Development Foundation hospitality study, the economic impact of the New Braunfels's hospitality and tourism industry in 2009 was \$469.7 million. In addition, the report concluded that the hospitality industry is

responsible for more than \$121.8 million in wages to full-time and part-time employees each year and that the businesses comprised in the hospitality industry support more than 6,979 jobs, representing 27 percent of total employment in New Braunfels.

Moreover, the hospitality industry has shown solid growth between 2005 and 2009 period with total economic output rising 27 percent over the five-year period at an annual growth rate of more than 6 percent.

### Real Estate

According to the New Braunfels Chamber’s 2011 benchmarking study, real property valuations for the city have increased over a nine-year period for both commercial and residential properties, while industrial real property valuation showed growth at a slower rate. Residential property value has grown at the fastest pace, growing from \$1.55 billion in 2003 to \$3.1 billion in 2011. Commercial property value has grown at a steady rate from approximately \$550 million in 2003 to \$1.1 billion in 2011. Industrial property value has grown from \$600 million to \$1.2 billion over the same period of time.

The office space absorption rate in New Braunfels continues to increase while actual office space also continues to expand. In 2011, the absorption rate remained steady, leaving only 11 percent of office space available. Over 228,000 square feet of office space has been added in the last seven years. The Chamber has integrated a full-service GIS suite of services to help business expansions and relocations find real estate, which can be found here: <http://greaternewbraunfels.zoomprospector.com>.

### Housing

The availability of housing (both owner-occupied and rental) is a decisive factor for business retention, expansion and attraction. The table below compares New Braunfels housing occupancy statistics with its neighboring cities, including San Antonio. As you can see from the Table (2) below, the City of New Braunfels has the 2<sup>nd</sup> highest selected monthly owner costs (SMOC).

<b>Table (1) HOUSING OCCUPANCY</b> <small>67</small>	New Braunfels Estimate	New Braunfels Percent	Seguin Estimate	Seguin Percent	Schertz Estimate	Schertz Percent	San Antonio Estimate	San Antonio Percent
Total housing units	23,137	23,137	10,405	10,405	11,006	11,006	525,799	525,799
Occupied housing units	20,425	88.3%	9,287	89.3%	10,148	92.2%	470,223	89.4%
Vacant housing units	2,712	11.7%	1,118	10.7%	858	7.8%	55,576	10.6%
Homeowner vacancy rate	3.6	(X)	1.2	(X)	3.1	(X)	2.2	(X)
Rental vacancy rate	10.9	(X)	13.0	(X)	2.4	(X)	9.9	(X)

<sup>67</sup> U.S. Census: 2008-2010 American Community Survey 3-Year Estimates.

<b>Table (2) SELECTED MONTHLY OWNER COSTS (SMOC)<sup>68</sup></b>	New Braunfels Estimate	Seguin Estimate	Schertz Estimate	San Antonio Estimate
Housing units with a mortgage	9,320	2,715	6,298	171,118
Median (dollars)	1,313	1,162	1,442	1,211
<b>GROSS RENT</b>				
Occupied units paying rent	6,636	3,753	N <sup>69</sup>	199,597
Median (dollars)	914	755	946	769

According to the Affordable Housing Panel (see Appendix D – Workforce Resources Committee), housing affordability can be defined as 3.3 \* total household income (e.g. 3.3 \* \$30,000 household income = \$99,000 total home price). In terms of affordability, the State of Texas requires payment of a minimum wage at \$7.25 an hour. However, common retail outlets pay a working wage of \$10.00 an hour, so it can be reasonably assumed that two adults working full-time (2,080 hours per year) could earn \$10 an hour. This would yield the two adults \$41,600 per year, and if multiplied by lender’s rule of thumb (3.3), then these two adults could afford a home worth \$137,280. Now, only 53 percent of the owner-occupied homes in New Braunfels would be in the reach of these two adults.

The City of New Braunfels Consolidated Plan 2010-2014: Housing (Sections 10-21) cited the following funds available for affordable housing projects.

- Community Development Block Grant (CDBG)
- Owner Occupied Housing Rehabilitation Grants through Texas Department of Housing and Community Affairs HOME and Trust Fund programs
- Historic Preservation Tax Credits and Grants

### Healthcare Infrastructure

The Texas Controller of Public Accounts recently released a report showing that New Braunfels has experienced a steady increase in growth in the healthcare industry in comparison to overall economic growth. The City’s economic development leadership is interested in establishing New Braunfels as the regional destination for high-quality health care. According to the same report, the period of 2001 to 2010 saw faster-paced employment growth in the New Braunfels area healthcare and social assistance sector than that of the overall area economy. CHRISTUS Santa Rosa, a health care system based in San Antonio, is the largest healthcare employer in the region. New Braunfels is home to two of the healthcare provider’s eight facilities.

New Braunfels is taking steps to bolster healthcare services to retain local residents in need of medical care. Notably, the New Braunfels Regional Rehabilitation Hospital was named the 2011 Economic Impact Award winner for the area at the Austin-San Antonio Business Journal Summit. Additionally, Resolute Health is currently constructing a nearly \$200 million hospital and ancillary services center. When complete in late 2013, the hospital and associated industries will employ up to 1,300 people.

<sup>68</sup> U.S. Census:2008-2010 American Community Survey 3-Year Estimates.

<sup>69</sup> An 'N' entry in the estimate and margin of error columns indicates that data for this geographic area cannot be displayed because the number of sample cases is too small.



## Highway Infrastructure

There are two interstate highways present in New Braunfels: Interstate Highway 35, which runs north-south and Interstate 10, which runs east-west. Texas State Highway 46 serves as a connector between the two interstates. City officials have discussed the idea of adding a second outer loop in an effort to alleviate traffic congestion.

The City's Capital Improvement Program (CIP) sets infrastructure priorities and identifies funding mechanisms to build and maintain the City's infrastructure and services. According to Assistant City Manager Robert Camareno, the funding required to complete all of the Capital Improvement Projects over a ten-year period was approximately \$327 million. Additional funding sources that could leverage the City's funds to complete the CIP programs include: debt issuances, Type B economic development funds, federal and state grants, current revenues, cost-sharing agreements, and storm water utility fees. Similarly, it has been noted that the "room tax," (currently set at seven cents and generating \$2.2 million in revenue), could be raised to help pay for new infrastructure (e.g. sports complex).

## Airport

New Braunfels Regional Airport is operated by the City of New Braunfels under an Airport Enterprise Fund. Enterprise funds are used to account for the acquisition, operation and maintenance of governmental facilities and services that are entirely or predominantly self-supporting by user charges. The City's objective for the Airport Enterprise Fund is that it becomes self-sustaining, meaning that the revenue generated by the airport provides enough funding to pay for all current expenditures and other financial requirements related to the airport.

The New Braunfels Regional Airport is a regional asset because the cities of Schertz and Seguin do not have their own airports. Recognizing the airport's potential as well as its current economic impact, the City invested in an Airport Business Plan designed to evaluate a number of potential operational and developmental scenarios and provide the City of New Braunfels with decision-making information. The plan also uncovered that the multiplier effects of the direct spending impacts of airport activity annually supports 187 full-time jobs, \$12.3 million in income, \$21.7 million in total economic output and \$1.6 million in state and local taxes.<sup>70</sup>

The New Braunfels Airport staff consists of one administrative position, three full-time airport technicians, one part-time airport technician, and the Airport Director. However since the airport is operated by the City, the Airport Director reports to the City Manager who, in turn, reports to the City Council. The Airport Director is therefore in essence, a part of the City's management team and is supported by various City departments, including Public Works, Planning, Support Services, Human Resources, etc.

According to Airport Director Vinicio "Lenny" Llerena, C.M., ACE, to prepare for future growth, the 2010-2013 TxDOT Capital Improvement Program (CIP) has listed a total of \$11,226,900 in funding for the BAZ. The projects in the CIP are associated with overlays and extension of runway 13-31 and associated taxiways, airport drainage improvements, signage, lighting and electrical work and T-Hangar development. In February 2012, funds were approved to provide infrastructure to the new taxi-apron. Major utility infrastructure construction will be completed in fall 2012 to service the hangar pad sites adjacent to the new taxiway apron. Sewer, electricity and water infrastructure will be sized to

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<sup>70</sup> New Braunfels Regional Airport (BAZ) Business Plan, (2011).

accommodate nearly all sizes and types of corporate hangars.

### **Industrial Parks**

The weak real estate economy has curtailed development of speculative industrial buildings in New Braunfels for the last three years. The Koontz-McComb industrial sites are poised to be developed once market demand and rents increase, but a proactive approach to leveraging public and private funds to build on this site was also reviewed as an option during the strategic planning process. Additionally, The Lifehaus Industrial Park is 99 percent constructed. While the airport does not currently have an industrial park, the NBIDC and City council recently approved \$500,000 for wet utility infrastructure that will open up 8-12 sites for hanger development.

### **Telecommunications**

New Braunfels's close proximity to San Antonio's datacenter cluster positions it for future data center and telecommunications expansion opportunities. The region is credited with low power rates with certified consistent supply, fiber optic infrastructure, and a stable weather environment. Potential niches for New Braunfels include data storage and processing. Additionally, target companies include those looking for a build-to-suit option. The City has been proactive in developing two, shovel-ready sites within the city limits to seize upon this growth opportunity. Potential data centers can be located at Conrad's Lane and Westpointe Village.

### **Utilities**

New Braunfels Utilities (NBU) is a not-for-profit energy provider that sets its rates to cover its cost of operation only. NBU has reported positive growth in demand to the State every year and its recent five-year planning efforts indicate a need to add infrastructure based on higher load-level demand. Infrastructure development is driven by the private sector and the need to service new, or greenfield, development. Rehabilitation and maintenance is also driving new development and growth projections. Currently, NBU is looking at purchasing its energy from new providers.

Both the rapid use of water supply and the cost of water in New Braunfels may adversely affect economic development in the future. As the population in the region continues to expand so will the need to find new supplies of water. New Braunfels Utilities noted during a Services Committee meeting that price of water will rise more than four times its current cost in the near future, while water quality is a growing concern, as much of the tourism economy in the City depends on clean water (e.g. river rafting and Schlitterbahn Water Park).

In terms of sustainability, NBU permits households to generate their own energy and use stored energy during off-peak times, but households are not permitted to sell it back to the electrical grid. In terms of generating sustainable energy, (e.g. wind and solar), the current form of energy generation is still price comparable, so NBU has not found it cost-effective to invest in renewable energy generation. The utility currently has two green-energy-producing sites: a hydroelectric dam and a methane gas plant.

### **Banking**

Through multiple interviews and committee meetings, it is apparent that while the local banks in New Braunfels have cash to lend, they have strict credit standards that need to be met. In the current economy, finding borrowers with good credit history to meet these standards can be difficult, and the

credit unions in New Braunfels have noted this problem. The process could be improved if a loan guarantee program was in place to reassure lenders of the security of their investment.

Other financial resources include the Randolph-Brooks Credit Union, which has an SBA portfolio of \$25 million and is looking to expand these services to car dealerships, medical facilities and restaurants. Peoplefund (Austin, Texas) and Accion Texas (San Antonio, Texas) are micro-lenders that do some work in the region. Randolph Brooks Federal Credit Union provides conventional lines of credit, business Mastercards and processes 20-30 small conventional business loans weekly on average. If they are unable to approve a request, the credit union will refer loan-seekers to the Small Business Development Center or Accion of Texas, which is a non-depository micro-lender. There is currently no micro-lending program available in New Braunfels.

## A. Strategic Planning Process Participants

**Investment Committee Members** - This Committee was chaired by Mr. Robert Gray and supported by Vice Chair Mr. Joe Castilleja.

<b>Title</b>	<b>First Name</b>	<b>Last Name</b>	<b>Title</b>	<b>Company</b>
Mr.	Robert	Gray	Chairman/Director	Investment Subcommittee/NBIDC
Mr.	Joe	Castilleja	Mortgage Officer	TexStar National Bank
Mr.	Troy	Bearden	Owner	Business Property Tax Group
Mr.	Ashley	Davison	Director	New Braunfels Downtown Board
Mr.	Mark	Hampton	Broker	Randall Morris & Assoc Real Estate
Commissioner	Jan	Kennady	Commissioner	County Commissioner, Precinct 4
Mr.	Nathan	Manlove	President	Ammo Advertising
Mr.	Fred	Heimer	Director	New Braunfels Downtown Board
Ms.	Mary	Raley	Property Services Supervisor	HD Supply
Mr.	Bryan	Kastleman	Owner	Kastleman & Associates, Inc.
Ms.	Tiffany	Lacey	VP, Design & Approvals	ASA Properties
Mrs.	Jennifer	Malatek	Director	New Braunfels Industrial Development Corporation
Mr.	Barry	Williams	President	First State Bank
Mr.	Michael	Norris	Director	EDF Executive Board
Mr.	Tim	Zipp	President	New Braunfels Industrial Development Corporation

Martinez and supported by Vice Chair Mr. Dan Krueger.

<b>Title</b>	<b>First Name</b>	<b>Last Name</b>	<b>Title</b>	<b>Organization</b>
Ms.	Julie	Martinez	Director	NBIDC
Mr.	Dan	Krueger	Director	Center for Entrepreneurship
Mr.	Rusty	Brockman	Director of Economic Development	Build NB
Ms.	Heidi	Aleman	Director	NBISD Foundation
Ms.	Terry	Robinson	Executive Director	United Way of Comal County
Mr.	Trevor	Bird	Director	NBIDC
Mr.	Larry	Hammonds	President	Frost Bank
Mr.	Vance	Hinton	Owner	Faust Hotel
Ms.	Gretchen	Weicker	Owner	Gretchen Girl Enterprises
Mr.	Domingo	Medina	Resident	Restorative Health Care
Ms.	Rose	Zamora	Attorney	Zamora & Schoon PLLC Law Offices
Ms.	Sharon	Miller	Director	New Braunfels SBDC

Chair Ms. Kookie Barboza.

<b>Title</b>	<b>First Name</b>	<b>Last Name</b>	<b>Title</b>	<b>Organization</b>
Mr.	Jay	Brewer	Chairman	Services Committee
Ms.	Kookie	Barboza	Co-Chair	Services Committee
Mr.	Juan Carlos	Campos	Director	Centro Med Clinic- New Braunfels
Mr.	Robert	Lopez	Executive Director	Comal County Senior Citizen's Foundation
Mr.	Roger	Biggers	Director	New Braunfels Utilities
Mr.	Mario	Luna	Citizen	New Braunfels
Ms.	Carol	Johnson	Director	New Braunfels Downtown Board
Ms.	Nelda	Juarez	District Manager	Centerpoint Energy
Mr.	Trace	Jurica	Partner	TC Town Creek Texas, LP
Ms.	Sharon	Levett	Member	Citizens Advocates for Smart Expansion
Mr.	Jeff	Moeller	Partner	Moeller & Associates
Mr.	Travis	Wuest	VP	Natural Bridge Caverns

Vice Chair Ms. Kandace Tornquist.

<b>Title</b>	<b>First Name</b>	<b>Last Name</b>	<b>Title</b>	<b>Company</b>
Mr.	Ray	LaFrey	Chairman	New Braunfels Airport Advisory Board
Ms.	Kandace	Tornquist	Executive Director	Habitat for Humanity
Mr.	Rusty	Brockman	Director of Economic Development	Build NB
Dr.	Carlos	Campos	President	EDF Executive Board
Dr.	Michael	Hindman	Director	NBIDC
Ms.	Tess	Coody	Executive	Resolute Health
Mr.	Robert	Tobias	Realtor	Keller Williams Heritage
Mrs.	Paula	DiFonzo	Director	EDF Executive Board
Ms.	Christine	Douglas	Executive Director	Communities in Schools
Mr.	Jerry	Major	Executive Director	McKenna System
Ms.	Aja	Patino	Realtor	ERA D. Lee Edwards
Ms.	Becky	Walker	Director	Comal ISD
Mr.	Jim	Wesson	Vice President/ Administrator	Christus Santa Rosa Hospital-New Braunfels
Ms.	Barbetta	Womack	Center Manager	Worksource Alamo

<b>Title</b>	<b>First Name</b>	<b>Last Name</b>	<b>Title</b>	<b>Company</b>
Mr.	Jeff	Jewell	Development Coordinator	City of New Braunfels
Mr.	Michael	Meek	President	Chamber of Commerce
Mr.	Michael	Morrison	City Manager	City of New Braunfels
The Honorable	Gale	Pospisil	Mayor	New Braunfels City Council
Mr.	Michael	Ybarra	Former-City Councilmember	New Braunfels City Council
Ms.	Julie	Martinez	Director	NBIDC
Mr.	Robert	Gray	Director	INBIDC
Mr.	Jay	Brewer	Chairman	Services Subcommittee
Mr.	Ray	LaFrey	Chairman	New Braunfels Airport Advisory Board



## **B. Additional Goals, Objectives, Strategies and Action Items Developed by the Committees and Performance Measures.**

*The following goals, objectives, strategies and action items are NOT to be considered as priority development tasks. These tasks are only included in this plan to serve as a reference for future planning efforts. The City and Chamber staffs will NOT be held accountable to meeting the performance measurements indicated below. These performance measurements serve only as a reference for future planning efforts.*

### **Entrepreneurial and Small Business Development**

**Goal:** Market and promote entrepreneurial and small business development technical assistance and financial support services to ethnic-owned businesses through targeted campaigns.

#### **Objective**

Visit ten (10) ethnic-owned businesses quarterly to promote the City's entrepreneurial and small business technical assistance and financial support services.

#### **Rationale**

According to the U.S. Census Bureau, approximately 35 percent of the population in New Braunfels is Hispanic.<sup>71</sup> The Hispanic population in Comal and Guadalupe Counties grew by 57 percent from 2000 to 2010. Hispanics currently comprise 31 percent of the population in the two counties, and their population numbers are projected to continue growing.<sup>72</sup> According to the Congressional Hispanic Caucus Institute (CHCI), projections are that by 2030 over 50 percent of the Latino population will be under 24 years of age. By 2025, at least one out of every two workers entering the U.S. labor force will be of Hispanic descent.<sup>73</sup>

However, only an estimated 11 percent (i.e., 700/6,117) of all firms in New Braunfels are owned by Hispanics. And although there are a number of organizations that offer assistance to ethnically-owned businesses in New Braunfels, their participation in the business community continues to be low. The table on the next page indicates the number of firms with or without paid employees in New Braunfels and Comal County, along with various sales, employment and payroll data by ethnicity code.

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<sup>71</sup> Accessed June, 2012, <http://www.census.gov/econ/sbo/index.html>.

<sup>72</sup> Small Business Development Center Satellite Office Operating Plan (New Braunfels, TX) Market Analysis. Pg. (9), May 4, 2012.

<sup>73</sup> Accessed August 15<sup>th</sup>, 2012: <http://www.chci.org/about/faq.asp>.

U.S. Census 2007 Survey of Business Owners<sup>74</sup>

	Ethnicity Code	Number of firms with or without paid employees	Sales, receipts, or value of shipments of firms with or without paid employees (\$1,000)	Number of firms with paid employees	Sales, receipts, or value of shipments of firms with paid employees (\$1,000)	Number of paid employees for pay period including March 12	Annual payroll (\$1,000)	Number of firms without paid employees	Sales, receipts, or value of shipments of firms without paid employees (\$1,000)
Comal County	All Firms	12,349	7,195,790	2,388	6,703,708	36,495	1,206,325	9,961	492,081
Comal County	Hispanic	1,272	118,016	97	70,748	635	13,063	1,175	47,268
New Braunfels	All Firms	6,117	4,399,883	1,528	4,150,041	23,172	737,107	4,589	249,842
New Braunfels	Hispanic	700	58,311	S <sup>75</sup>	S	S	S	640	20,296

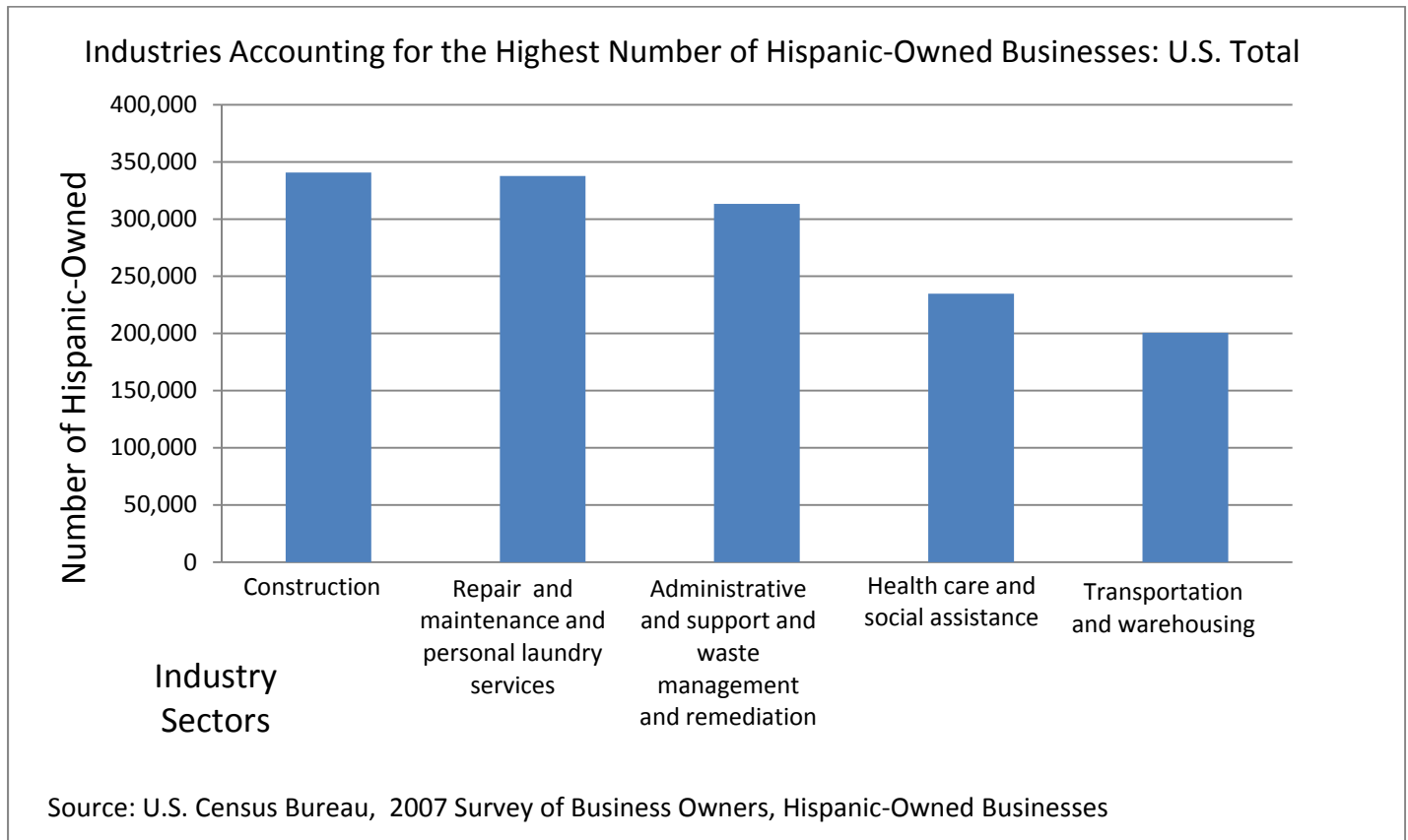
<sup>74</sup> Accessed: June, 2012, <http://www.census.gov/econ/sbo/index.html>.

<sup>75</sup> The character "S" designates that the data is withheld because estimate did not meet publication standards.

### Census Data on Business Ownership<sup>76</sup>

National data on business ownership rates was collected and reviewed to better inform the economic development goals, objectives and strategies being considered. Graph (1) indicates the industries which account for the highest number of Hispanic-owned businesses in the United States.

U.S. Census 2007 Survey of Business Owners<sup>77</sup>



The UTSA Institute for Economic Development houses the Minority Business Development Agency Business Center (MBC) that focuses its assistance on minority-owned firms that have annual revenues in excess of \$1 million. The SBDC and MBC have Business Advisors that are bilingual in Spanish, and these services can be obtained by New Braunfels minority-owned businesses through the SBDC. The Committee identified a gap in targeting technical assistance and financial support services to minority-owned small businesses (i.e. revenues under \$1 million) in New Braunfels through discussions with the local SBDC Director, the Comal County Hispanic Council, a review of the Chamber's work within the Hispanic community and through resource speaker presentations at the committee meetings.

The Comal County Hispanic Council (CCHC), which is a 501c3 nonprofit corporation made up of citizens whose aim is to help support the growing Hispanic population-at-large, focuses on community awareness and provide resources to support the Hispanic community. Specifically, the mission

<sup>76</sup> Accessed: June, 2012: <http://www.census.gov/econ/sbo/index.html>.

<sup>77</sup> *ibid.*

statement of the CCHC is to promote, advocate, and educate our [Comal County] Hispanic community with the goal of improving opportunities for success.<sup>78</sup> The CCHC has been identified as a core partner for this initiative.

The Entrepreneurial and Small Business Development Committee proposed to engage the Chamber and its partners to help encourage growth among ethnic-owned businesses in New Braunfels through a small business visitation program.

**Strategies**

*Strategy (1): Create a directory of ethnic businesses in New Braunfels.* The Chamber will coordinate with partnership organizations such as Comal County Hispanic Council (CCHC) to create a directory of ethnic-owned businesses in New Braunfels. The directory will be continually updated to reflect information gathered through business visitations as well as technical assistance and financial support services utilized by ethnic-owned businesses.

*Strategy (2): Build a unique website and implement a social media strategy that describes the technical assistance and financial support services available to ethnic-owned businesses in New Braunfels.* The Chamber will identify resources to update the Center for Entrepreneurship’s website, which will include specific information on what technical assistance and financial support services are available in New Braunfels. Once the website has been updated a social media marketing strategy will target ethnic-owned small businesses to describe the services offered.

*Strategy (3): Link the Center for Entrepreneurship’s work with the New Braunfels Young Professionals Organization (YPO) to encourage crowd-buying strategies to visit and support ethnic-owned businesses.* With the help of the Chamber, the New Braunfels Young Professionals Organization will identify ethnic-owned businesses in New Braunfels with the intention of purchasing products or services locally to help facilitate greater commercial activity.

*Strategy (4): Create an annual award to recognize ethnic-owned businesses accomplishments.* The Chamber will create the core criteria for an annual award that recognizes ethnic-owned businesses accomplishments in New Braunfels and integrate it into the Chamber’s annual meeting and banquet.

Below are specific action items to implement the above strategies along with estimated completion dates and lead agency.

Action Items	Completion Date	Lead Agency
Coordinate with partnership organizations such as the Comal County Hispanic Council to create a directory of ethnic-owned businesses in New Braunfels.	1Q 2013	Chamber
Update the directory to reflect information from ongoing business visitation (i.e., ten business visits per quarter), in addition to identifying technical assistance and financial support services utilized by ethnic-owned businesses.	2Q 2013	Chamber

<sup>78</sup> Accessed August, 2012: <http://comalhispaniccouncil.wix.com/cchc>.

Collect resources on small business technical assistance and financial support services and update the Center for Entrepreneurship's website to reflect current offerings.	3Q 2013	<i>New Braunfels Center for Entrepreneurship</i>
Create and launch a social media marketing strategy that will target ethnic-owned small businesses to describe the services offered.	1Q 2014	<i>Chamber</i>
Share the directory of ethnic businesses and the Center for Entrepreneurship website with the New Braunfels YPO.	2Q 2014	<i>Chamber</i>
Identify ethnic-owned businesses in New Braunfels with the intention of purchasing products or services to help facilitate greater commercial activity.	3Q 2014	<i>Chamber</i>
Create the core criteria for an annual award that recognizes ethnic-owned businesses accomplishments	1Q 2015	<i>Chamber</i>
Integrate the award into the Chamber's annual meeting and banquet.	1Q 2015	<i>Chamber</i>

## Tourism, Cultural and Recreational Development

### Goal

Offer multiple recreational amenities in New Braunfels to support shoulder-season tourism opportunities.

### Objective

Increase amateur sports visitors by facilitating a natatorium/sports complex in New Braunfels.<sup>79</sup>

### Rationale

Now in its 50th year, the Landa Park Dolphins, which is a nonprofit tax-exempt corporation to develop amateur athletes for swimming competition, participates under the banner of New Braunfels Aquatic Club, in the national USA-S (USA-Swimming) Age Group Swimming Program and in the state TAAF (Texas Amateur Athletic Federation). Athletic organizations, like the Landa Park Dolphins, are an example of a local user for this proposed facility, but the facility is also positioned to be a venue that attracts sports competitions from a 200+ mile radius around New Braunfels.

New Braunfels has conducted a number of studies over the past few years that provide detailed information in support of developing a sports complex. Several of these reports were studied in relation to this goal.

- *The Impact of Tourism in Comal County Report 2007*), which used an input-output analysis of new economic activity to identify the economic impact of Comal County travel and tourism in

<sup>79</sup> Information taken from a draft report of the feasibility study of a potential new sports/recreation complex in New Braunfels, (2012).

2006, states that the economic activity attributable to the “importing” of external dollars into the community in the form of spending by non-Comal County residents supports thousands of jobs and provides millions of dollars in earnings for local residents each year.<sup>80</sup>

- The hospitality study sponsored by the Greater New Braunfels Economic Development Foundation (EDF) in 2009 has been discussed previously. The core findings of the report indicated that the hospitality industry has shown solid growth over between 2005 and 2009 with total economic output rising 27 percent over the five-year period at an annual growth rate of more than 6 percent. Workers’ earnings in the hospitality industry grew 37 percent since 2005 and employment increased 32 percent during the same five year period (2005-2009).<sup>81</sup>
- In 2010, a consulting firm was retained by the City of New Braunfels to measure the potential economic and tax revenue impact associated with an expanded effort to capture a greater share of the amateur sports travel market. The report also estimated what percentage of the total market the City of New Braunfels could expect to capture if it invested in a Sports Complex, which is approximately somewhere between 0.25 percent and 0.75 percent of the total market. With the midpoint (0.50 percent) a reasonable baseline assumption, the result is an estimated increase in total economic activity of just under \$5 million and 50 jobs in the city.<sup>82</sup>
- In 2012, an additional feasibility study of a potential new sports/recreation complex in New Braunfels was completed, and it included an analysis of industry trends/characteristics, local market conditions, competitive/comparable facilities and host communities, market demand, supportable facility program, financial operations and economic impacts. The report estimated that total annual attendance for a sports/recreation complex could accommodate over 400,000 people with the potential to generate just over \$40 million on total economic impact.<sup>83</sup>

The conclusion from a review of all these studies and reports is that New Braunfels should take advantage of the opportunity to capture more of a regional market share of the sports entertainment market by developing a natatorium/sports complex.

### **Strategies**

*Strategy (1): Inform the public and political networks in New Braunfels of the potential for increased tourist activities and the estimated cost & economic impact of building a natatorium/sports complex.*

The City and Chamber will create a single communication action plan to articulate the estimated cost and economic impact of building a natatorium/sports complex. This plan will inform and engage public and political stakeholders in an effort to build support for these investments. The plan should be supported by an economic impact model that clearly outlines the estimated cost and impact of the natatorium/sports complex. By communicating the cost and economic impact of facilitating a natatorium/sports complex early on in the development process the economic development stakeholders will be able to generate a large support network for this objective.

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<sup>80</sup> The Impact of Tourism in Comal County Report, (2007).

<sup>81</sup> The Economic Impact of New Braunfels’ Hospitality Report, (2009).

<sup>82</sup> The New Braunfels Amateur Sports Report, (2010).

<sup>83</sup> Full Feasibility Study not yet available to the public. Information below taken directly from a Draft Feasibility Study, (2012).

*Strategy (2): Build public-private partnership capabilities by identifying public and private sources of funding to leverage local sources of funds.* The City will identify and confirm its public bonding capabilities to generate the seed capital or initial funding for the natatorium/sports complex facilities. These public funds will be leveraged to raise private capital locally and regionally. A venue tax election should be held to initiate and fund the natatorium/sports complex operations and a third-party management operator should be solicited to comply with venue tax law.<sup>84</sup> The public-private partnership should undertake an assessment of potential sites and facilitate the investment of funds throughout the development of the natatorium/sport complex in New Braunfels.

Below are specific action items to implement the above strategies along with estimated completion dates and lead agency.

<b>Action Items</b>	<b>Completion Date</b>	<b>Lead Agency</b>
Create economic impact model to evaluate the estimated cost & economic impact of building a natatorium/sports complex.	1Q 2015	Chamber
Create a single communication action plan to articulate the estimated cost & economic impact of building a natatorium/sports complex.	2Q 2015	Chamber
Inform and engage public and political stakeholders in an effort to build support for these investments.	3Q 2015	Chamber
Identify public bonding capabilities to generate seed capital required to build the natatorium/sports complex facilities.	1Q 2016	City
Hold venue tax election and solicit third-party management of complex to comply with venue tax law.	3Q 2016	City

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<sup>84</sup> The City and Chamber staff will need to work together to ensure all procedural requirements for funding sports venue projects are properly followed (see the following for more information: [http://www.tml.org/legal\\_pdf/4A-4BSalesTax.pdf](http://www.tml.org/legal_pdf/4A-4BSalesTax.pdf)).

## Workforce Development

### Goal

Provide an adequate number of workforce housing options in New Braunfels to support business retention and expansion opportunities.

### Objective

Initiate a workforce housing program to attract one hundred (100) affordable housing units in New Braunfels.

### Rationale

The availability of housing (both owner-occupied and rental) is a decisive factor for business retention, expansion and attraction. Table (1) below compares the New Braunfels housing occupancy statistics with its neighboring cities, which includes San Antonio. When compared to the cities of Seguin and Schertz, New Braunfels has a much larger stock of housing. Also, as indicated in the table below, the percent of vacant housing units as a percentage of total housing units is the greatest in New Braunfels.

**Table 1: Housing Occupancy in New Braunfels, 2008 – 2010<sup>85</sup>**

	New Braunfels Estimate	New Braunfels Percent	Seguin Estimate	Seguin Percent	Schertz Estimate	Schertz Percent	San Antonio Estimate	San Antonio Percent
Total housing units	23,137		10,405		11,006		525,799	
Occupied housing units	20,425	88.3%	9,287	89.3%	10,148	92.2%	470,223	89.4%
Vacant housing units	2,712	11.7%	1,118	10.7%	858	7.8%	55,576	10.6%
Homeowner vacancy rate	3.6	(X)	1.2	(X)	3.1	(X)	2.2	(X)
Rental vacancy rate	10.9	(X)	13.0	(X)	2.4	(X)	9.9	(X)

Table (2) below indicates that the City of New Braunfels has the second-highest selected monthly owner costs for both housing units with a mortgage and occupied units paying rent when compared to the cities of Seguin, Schertz and San Antonio.

<sup>85</sup> U.S. Census: 2008-2010 American Community Survey 3-Year Estimates.



**Table 2: Selected Monthly Owner Costs (SMOC), 2008 – 2010<sup>86</sup>**

	New Braunfels Estimate	Seguin Estimate	Schertz Estimate	San Antonio Estimate
Housing units with a mortgage	9,320	2,715	6,298	171,118
Median (dollars)	1,313	1,162	1,442	1,211
<b>GROSS RENT</b>				
Occupied units paying rent	6,636	3,753	N <sup>87</sup>	199,597
Median (dollars)	914	755	946	769

A recent report, *Affordable Housing: Beating the Odds in New Braunfels*, analyzed U.S. Census Data<sup>88</sup> to better understand the value of the New Braunfels housing stock. It noted that of the total number of owner-occupied units (12,969), 73 percent of the units in New Braunfels are worth less than \$199,999.<sup>89</sup> Using the same U.S. Census data, the report also indicated that approximately 50 percent of the housing stock in New Braunfels was built before 1990.

This report also noted that a lender’s rule of thumb indicates that a person or family can typically qualify for a house that costs 3.3 times their annual income. With a median household income in New Braunfels of \$56,334<sup>90</sup>, a typical family’s affordable house is valued at approximately \$186,000. In terms of affordability, the State of Texas requires payment of a minimum wage at \$7.25 an hour. However, common retail outlets pay a working wage of \$10.00 an hour. Two adults working full-time at \$10.00 an hour (2080 hours per year) would yield a combined income of \$41,600 per year. If multiplied by the lender’s rule of thumb (3.3), these two adults could afford a home worth \$137,280. Still, only 53 percent of the current owner-occupied homes in New Braunfels would be in the reach of this family.

According to the *Affordable Housing: Beating the Odds in New Braunfels* report, public housing was established to provide decent and safe rental housing for eligible low-income families, the elderly, and persons with disabilities. Public housing comes in all sizes and types, from scattered single family houses to high-rise apartments for elderly families. Table (3) below indicates the available public housing units in Comal County.

**Table 3: Number of low-income housing units in Comal County<sup>91</sup>**

Name	Population Served	#Units (estd.)
Balcones Haus	Low income, elderly	60
Bavarian Manor Apts	Low income, family	65
Braunfels Haus Apts.	Low income, family	74
Eden Heights Apts, Inc.	Low income, age 62+	90
Ellis Townhomes	Rental assistance	60

<sup>86</sup> U.S. Census: 2008-2010 American Community Survey 3-Year Estimates.

<sup>87</sup> An 'N' entry in the estimate and margin of error columns indicates that data for this geographic area cannot be displayed because the number of sample cases is too small.

<sup>88</sup> American Community Survey, (2006-2010).

<sup>89</sup> *Affordable Housing: Beating the Odds in New Braunfels Report*. New Braunfels Chamber of Commerce, 2012.

<sup>90</sup> U.S. Census: USA Quick Facts, (2006-2010).

<sup>91</sup> *Affordable Housing: Beating the Odds in New Braunfels Report*. New Braunfels Chamber of Commerce, 2012.

Laurel Plaza Apts (built 1972)	Low Income, elderly, disabled	100
Village Circle	Low income, family	50
Landa Place	Low to mod income, elderly	100
Villa Serena (built 1978)	Low income, family	70
<b>TOTAL UNITS</b>		<b>669</b>
Section 8 Vouchers	City of New Braunfels	292
	AACOG	98
	<b>Total Possible Vouchers</b>	<b>390</b>

To be clear, the objective is not to build additional public housing. The objective is to initiate a workforce housing program to attract 100 affordable housing units in New Braunfels. The location of the aforementioned low-income housing units can inform the economic development team of where public housing groups currently exist and how new affordable housing units will fit into the existing landscape.

Finally, the report identified a number of constraints that affect affordable housing in New Braunfels, including the rising costs in the construction industry, the cost and availability of financing and the high demand for a limited amount of land that have combined to constrain housing production, particularly for low- and moderate-income persons. The net result is significantly higher costs for housing in a period when incomes may not be rising at the same pace. The report highlighted the following affordability/livability concerns.

- Low vacancy rates for most types of housing in NB suggest that demand for certain housing exceeds supply, causing inflated home values (particularly for owner-occupied homes).
- A low wage scale, coupled with a high cost of living, decreases housing affordability.
- Building costs are very high, making it difficult for builders to construct affordable housing profitably. Utilities fees and other development costs average \$5,500 per lot, excluding purchase. The western half of New Braunfels is located over the Edwards Underground Aquifer Recharge Zone. In order to develop fewer than 5 acres of land over the Recharge Zone, one must conduct costly engineering studies and file a water pollution plan with the Texas Natural Resources Conservation Commission. The cost of filing the water pollution plan alone can be up to \$2000.
- Suburban Building Regulations: The City requires that all streets be a minimum of 50 to 60 feet wide depending on house lot size. Typically, homes must be set back at least 25 feet in the front and 30 feet in the back. In general, there must be at least 6 feet of property on each side of the house.

However, according to several local real estate experts, there is limited housing stock currently available at that price in New Braunfels.

### Strategies

*Strategy (1): Create a Housing Affordability Task Force comprised of public and private New Braunfels citizenry.* The City will invite a group of public and private New Braunfels citizenry to form a Housing Affordability Task Force. The Task Force will identify and document all workforce housing & affordability initiatives currently underway to support the *New Braunfels Comprehensive Plan* Goals 17-20 (Objectives A-Q). This will provide a knowledge base for the Task Force to then start identifying next steps.

*Strategy (2): Retain a workforce housing technical assistance provider to guide the City and the Housing Affordability Task Force through the workforce housing development process.* The City will review multiple workforce housing technical assistance providers and retain the best option. The City, Task Force and technical assistance provider will outline the required action steps to attract one hundred (100) affordable housing units in New Braunfels.

*Strategy (3): Create a short list of potential properties for workforce housing development through targeted market and financial feasibility studies.* Workforce housing options on the west end of the City will be reviewed and analyzed and the Task Force will identify potential workforce housing properties in or outside of the west end. Once identified, a number of targeted market and financial feasibility studies should be performed to find the location that provides for the highest and best use for workforce housing.

*Strategy (4): Institute a combination of neighborhood revitalization programs to combine workforce housing initiatives with economic development services.* The City and the Chamber will map and geo-code all targeted economic development investment zones (e.g., TIRZ, Chapter 380/381 and etc.) to locate areas where neighborhood revitalization programs and workforce housing could augment economic development. This information should be provided to the task force to identify local, county, state and federal programs to leverage multiple workforce housing resources and future developments.

*Strategy (5): Leverage available workforce housing funding at local and state level.* The Task Force will help create a local CHDO (Community Housing Development Organization) as a consortium of several local non-profits to target funding for workforce housing. A matrix of funding opportunities available for workforce housing should be developed and include: Community Development Block Grant (CDBG), Owner-Occupied Housing Rehabilitation Grants through Texas Department of Housing and Community Affairs HOME, Trust Fund programs and Historic Preservation Tax Credits and Grants, as well as others funding programs.

Below are specific action items to implement the above strategies along with estimated completion dates and lead agency.

<b>Action Items</b>	<b>Completion Date</b>	<b>Lead Agency</b>
Invite a group of public and private New Braunfels citizenry to form a Housing Affordability Task Force	1Q 2014	City
Identify and document all workforce housing and affordability initiatives currently underway to support the <i>New Braunfels Comprehensive Plan</i> Goals 17-20 (Objectives A-Q).	2Q 2014	City
Review multiple workforce housing technical assistance providers and retain the best option.	3Q 2014	City
Outline the required action steps to attract one hundred (100) affordable housing units in New Braunfels.	4Q 2014	City
Identify potential workforce housing properties in the City.	2Q 2015	City

Perform targeted market and financial feasibility studies to find the location that provides for the highest and best use for workforce housing.	3Q 2015	<i>City</i>
Map targeted economic development investment zones (e.g., TIRZ, Chapter 380/381 and etc.) to locate areas where neighborhood revitalization programs and workforce housing could augment economic development.	1Q 2016	<i>City</i>
Identify local, county, state and federal programs to leverage multiple workforce housing resources	3Q 2016	<i>City</i>
Create a local CHDO (Community Housing Development Organization) as a consortium of several local non-profits to target funding.	3Q 2016	<i>City</i>
Develop a matrix of funding opportunities available for workforce housing.	3Q 2016	<i>City</i>

The following exhibits (schedules) are a summary of the action items discussed above. The schedules also include information on supporting organizations that will support each of the action items. There are 3 schedules that follow:

- Schedule by economic development focus area
- Schedule by implementing agency. The lead agency will be responsible for the timely implementation of the action items.
- Schedule by completion date

### 1. Performance Measures Schedule by Economic Development Focus Area

The following performance measures include a specified completion date or benchmark that is directly related to the task described. Key supporting organizations have been identified to take part in each task, by which the lead implementing agency will be held responsible to completing each task.

Lead Implementing Agency	Task	Completion Date	Supporting Organizations
<b>Entrepreneurial and Small Business Development</b>			
Chamber	Coordinate with partnership organizations such as the Comal County Hispanic Council to create a directory of ethnic-owned businesses in New Braunfels.	1Q 2013	Comal County Hispanic Council
Chamber	Update the directory to reflect information from ongoing business visitation (i.e., ten business visits per quarter), in addition to identifying technical assistance and financial support services utilized by ethnic-owned businesses.	2Q 2013 / Ten visitations per quarter	Comal County Hispanic Council
Center for Entrepreneurship	Collect resources on small business technical assistance and financial support services and update the Center for Entrepreneurship's website to reflect current offerings.	3Q 2013	Chamber, Small Business Development Center, Comal County Hispanic Council
Chamber	Create and launch a social media marketing strategy that will target ethnic-owned small businesses to describe the services offered.	1Q 2014	Center for Entrepreneurship, Comal County Hispanic Council
Chamber	Share the directory of ethnic businesses and the Center for Entrepreneurship website with the New Braunfels YPO.	2Q 2014	Center for Entrepreneurship, Comal County Hispanic Council, Young Professionals Organization
Chamber	Identify ethnic-owned businesses in New Braunfels with the intention of purchasing products or services to help facilitate greater commercial activity.	3Q 2014	Center for Entrepreneurship, Comal County Hispanic Council, Young Professionals Organization

<b>Lead Implementing Agency</b>	<b>Task</b>	<b>Completion Date</b>	<b>Supporting Organizations</b>
Chamber	Create the core criteria for an annual award that recognizes ethnic-owned businesses accomplishments	1Q 2015	Center for Entrepreneurship, Comal County Hispanic Council, EDF
Chamber	Integrate the award into the Chamber's annual meeting and banquet.	1Q 2015	Center for Entrepreneurship, Comal County Hispanic Council, EDF
<b>Tourism, Cultural and Recreational Development</b>			
Chamber	Create economic impact model to evaluate the estimated cost & economic impact of building a natatorium/sports complex.	1Q 2015	City, CVB, EDF, Build NB
Chamber	Create a single communication action plan to articulate the estimated cost & economic impact of building a natatorium/sports complex.	2Q 2015	City, CVB, EDF, Build NB
Chamber	Inform and engage public and political stakeholders in an effort to build support for these investments.	3Q 2015	City, CVB, EDF, Build NB
City	Identify public bonding capabilities to generate seed capital required to build the natatorium/sports complex facilities.	1Q 2016	Chamber, CVB, EDF, Build NB
City	Hold venue tax election and solicit third-party management of complex to comply with venue tax law.	3Q 2016	Chamber, CVB, EDF, Build NB
<b>Workforce Development</b>			
City	Invite a group of public and private New Braunfels citizenry to form a Housing Affordability Task Force	1Q 2014	Chamber, Comal County Habitat for Humanity
City	Identify and document all workforce housing and affordability initiatives currently underway to support the New Braunfels Comprehensive Plan Goals 17-20 (Objectives A-Q).	2Q 2014	Chamber, Comal County Habitat for Humanity
City	Review multiple workforce housing technical assistance providers and retain the best option.	3Q 2014	Chamber, Comal County Habitat for Humanity
City	Outline the required action steps to attract one hundred (100) affordable housing units in New Braunfels.	4Q 2014	Chamber, Comal County Habitat for Humanity
City	Identify potential workforce housing properties in the City.	2Q 2015	Chamber, Comal County Habitat for Humanity
City	Perform targeted market and financial feasibility studies to find the location that provides for the highest and best use for workforce housing.	3Q 2015	Chamber, EDF, Comal County Habitat for Humanity

<b>Lead Implementing Agency</b>	<b>Task</b>	<b>Completion Date</b>	<b>Supporting Organizations</b>
City	Map targeted economic development investment zones (e.g., TIRZ, Chapter 380/381 and etc.) to locate areas where neighborhood revitalization programs and workforce housing could augment economic development.	1Q 2016	Chamber, Comal County Habitat for Humanity
City	Identify local, county, state and federal programs to leverage multiple workforce housing resources.	3Q 2016	Chamber, Comal County Habitat for Humanity
City	Create a local CHDO (Community Housing Development Organization) as a consortium of several local non-profits to target funding.	3Q 2016	Chamber, Comal County Habitat for Humanity
City	Develop a matrix of funding opportunities available for workforce housing.	3Q 2016	Chamber, Comal County Habitat for Humanity

## 2. Performance Measures Schedule by Lead Agency

Lead Implementing Agency	Task	Completion Date	Supporting Organizations
<b>Entrepreneurial and Small Business Development</b>			
Center for Entrepreneurship	Collect resources on small business technical assistance and financial support services and update the Center for Entrepreneurship's website to reflect current offerings.	3Q 2013	Chamber, Small Business Development Center, Comal County Hispanic Council
Chamber	Coordinate with partnership organizations such as the Comal County Hispanic Council to create a directory of ethnic-owned businesses in New Braunfels.	1Q 2013	Comal County Hispanic Council
Chamber	Update the directory to reflect information from ongoing business visitation (i.e., ten business visits per quarter), in addition to identifying technical assistance and financial support services utilized by ethnic-owned businesses.	2Q 2013	Comal County Hispanic Council
Chamber	Create and launch a social media marketing strategy that will target ethnic-owned small businesses to describe the services offered.	1Q 2014	Center for Entrepreneurship, Comal County Hispanic Council
Chamber	Share the directory of ethnic businesses and the Center for Entrepreneurship website with the New Braunfels YPO.	2Q 2014	Center for Entrepreneurship, Comal County Hispanic Council, Young Professionals Organization
Chamber	Identify ethnic-owned businesses in New Braunfels with the intention of purchasing products or services to help facilitate greater commercial activity.	3Q 2014	Center for Entrepreneurship, Comal County Hispanic Council, Young Professionals Organization
Chamber	Create the core criteria for an annual award that recognizes ethnic-owned businesses accomplishments	1Q 2015	Center for Entrepreneurship, Comal County Hispanic Council, EDF
Chamber	Integrate the award into the Chamber's annual meeting and banquet.	1Q 2015	Center for Entrepreneurship, Comal County Hispanic Council, EDF
<b>Tourism, Cultural and Recreational Development</b>			
Chamber	Create economic impact model to evaluate the estimated cost & economic impact of building a natatorium/sports complex.	1Q 2015	City, CVB, EDF, Build NB



<b>Lead Implementing Agency</b>	<b>Task</b>	<b>Completion Date</b>	<b>Supporting Organizations</b>
Chamber	Create a single communication action plan to articulate the estimated cost & economic impact of building a natatorium/sports complex.	2Q 2015	City, CVB, EDF, Build NB
Chamber	Inform and engage public and political stakeholders in an effort to build support for these investments.	3Q 2015	City, CVB, EDF, Build NB
City	Identify public bonding capabilities to generate seed capital required to build the natatorium/sports complex facilities.	1Q 2016	Chamber, CVB, EDF, Build NB
City	Hold venue tax election and solicit third-party management of complex to comply with venue tax law.	3Q 2016	Chamber, CVB, EDF, Build NB
<b>Workforce Development</b>			
City	Invite a group of public and private New Braunfels citizenry to form a Housing Affordability Task Force	1Q 2014	Chamber, Comal County Habitat for Humanity
City	Identify and document all workforce housing and affordability initiatives currently underway to support the New Braunfels Comprehensive Plan Goals 17-20 (Objectives A-Q).	2Q 2014	Chamber, Comal County Habitat for Humanity
City	Review multiple workforce housing technical assistance providers and retain the best option.	3Q 2014	Chamber, Comal County Habitat for Humanity
City	Outline the required action steps to attract one hundred (100) affordable housing units in New Braunfels.	4Q 2014	Chamber, Comal County Habitat for Humanity
City	Identify potential workforce housing properties in the City.	2Q 2015	Chamber, Comal County Habitat for Humanity
City	Perform targeted market and financial feasibility studies to find the location that provides for the highest and best use for workforce housing.	3Q 2015	Chamber, EDF, Comal County Habitat for Humanity
City	Map targeted economic development investment zones (e.g., TIRZ, Chapter 380/381 and etc.) to locate areas where neighborhood revitalization programs and workforce housing could augment economic development.	1Q 2016	Chamber, Comal County Habitat for Humanity
City	Identify local, county, state and federal programs to leverage multiple workforce housing resources.	3Q 2016	Chamber, Comal County Habitat for Humanity

Lead Implementing Agency	Task	Completion Date	Supporting Organizations
City	Create a local CHDO (Community Housing Development Organization) as a consortium of several local non-profits to target funding.	3Q 2016	Chamber, Comal County Habitat for Humanity
City	Develop a matrix of funding opportunities available for workforce housing.	3Q 2016	Chamber, Comal County Habitat for Humanity

### 3. Performance Measures Schedule by Completion Date

Lead Implementing Agency	Task	Completion Date	Supporting Organizations
<b>Entrepreneurial and Small Business Development</b>			
Chamber	Coordinate with partnership organizations such as the Comal County Hispanic Council to create a directory of ethnic-owned businesses in New Braunfels.	1Q 2013	Comal County Hispanic Council
Chamber	Update the directory to reflect information from ongoing business visitation (i.e., ten business visits per quarter), in addition to identifying technical assistance and financial support services utilized by ethnic-owned businesses.	2Q 2013	Comal County Hispanic Council
Center for Entrepreneurship	Collect resources on small business technical assistance and financial support services and update the Center for Entrepreneurship's website to reflect current offerings.	3Q 2013	Chamber, Small Business Development Center, Comal County Hispanic Council
Chamber	Create and launch a social media marketing strategy that will target ethnic-owned small businesses to describe the services offered.	1Q 2014	Center for Entrepreneurship, Comal County Hispanic Council
Chamber	Share the directory of ethnic businesses and the Center for Entrepreneurship website with the New Braunfels YPO.	2Q 2014	Center for Entrepreneurship, Comal County Hispanic Council, Young Professionals Organization
Chamber	Identify ethnic-owned businesses in New Braunfels with the intention of purchasing products or services to help facilitate greater commercial activity.	3Q 2014	Center for Entrepreneurship, Comal County Hispanic Council, Young Professionals Organization
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<b>Tourism, Cultural and Recreational Development</b>			
Chamber	Create economic impact model to evaluate the estimated cost & economic impact of building a natatorium/sports complex.	1Q 2015	City, CVB, EDF, Build NB
Chamber	Create a single communication action plan to articulate the estimated cost & economic impact of building a	2Q 2015	City, CVB, EDF, Build NB

<b>Lead Implementing Agency</b>	<b>Task</b>	<b>Completion Date</b>	<b>Supporting Organizations</b>
	natatorium/sports complex.		
Chamber	Inform and engage public and political stakeholders in an effort to build support for these investments.	3Q 2015	City, CVB, EDF, Build NB
City	Identify public bonding capabilities to generate seed capital required to build the natatorium/sports complex facilities.	1Q 2016	Chamber, CVB, EDF, Build NB
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City	Perform targeted market and financial feasibility studies to find the location that provides for the highest and best use for workforce housing.	3Q 2015	Chamber, EDF, Comal County Habitat for Humanity
City	Map targeted economic development investment zones (e.g., TIRZ, Chapter 380/381 and etc.) to locate areas where neighborhood revitalization programs and workforce housing could augment economic development.	1Q 2016	Chamber, Comal County Habitat for Humanity
City	Identify local, county, state and federal programs to leverage multiple workforce housing resources.	3Q 2016	Chamber, Comal County Habitat for Humanity
City	Create a local CHDO (Community Housing Development Organization) as a consortium of several local non-profits to target funding.	3Q 2016	Chamber, Comal County Habitat for Humanity

<b>Lead Implementing Agency</b>	<b>Task</b>	<b>Completion Date</b>	<b>Supporting Organizations</b>
City	Develop a matrix of funding opportunities available for workforce housing.	3Q 2016	Chamber, Comal County Habitat for Humanity

### C. Sustainability: A Call for Action.

Led by Chairman Jay Brewer, the Services Committee reconvened a special meeting on Thursday, August 16, 2012 to discuss the sustainability component of the Committee's mandate. Chairman Brewer sought to have the committee discuss recommending to the City Council that the City raise awareness of the sustainability and its importance to the ongoing economic development and growth of New Braunfels. His goal was to develop and implement a process to more fully involve the community and its stakeholders in a conversation around the subject of sustainability.

At the committee meeting, New Braunfels Development Coordinator Jeff Jewell delivered a brief overview of sustainability in the context of the different forms of capital: natural, physical, economic, human, social and cultural. He also mentioned the need to begin developing a plan to establish baseline indicators that will give a holistic snapshot of the community's progress on a variety of fronts. He noted that sustainability is an organizing framework or lens that should be applied to decision-making about policy and organizational development. Sustainable development is about making a conscious choice to do development differently with a perspective to preserving the ability of future generations to prosper in a similar manner.

The committee members then discussed the definition of sustainability. Reference was made to the June 2012 issue of Public Management Magazine<sup>92</sup>, which defined sustainability as "the ability of communities to consistently thrive over time as they make decisions to improve the community today without sacrificing the future."<sup>93</sup> The committee members agreed, however, that the concept of sustainability is an overwhelming subject and the difficulty rested in how to convey the subject's importance to the community.

The Committee discussed the importance of developing a shared understanding first with the community's decision-makers and then how to reach out to the public. The process should endure through different city councils because this is ultimately a long-term effort if it is to have success. The Committee felt that it would be helpful to engage community leaders from all geographic regions of the City to act as spokespersons for the initiative. Additionally, the committee felt that there are many more benefits to be gained from sustainable development than there are costs over the long-run. For example, encouraging development partners to employ certain strategies may cost those interests more upfront from a monetary standpoint, but it yields benefits to the community that are not easily monetized.

Mr. Roger Biggers, from the New Braunfels Utilities (NBU) Board of Trustees, mentioned NBU's experience implementing water restrictions and the relative ease the community has had in accepting the decision to ration water in an effort to extend the available supply and delay the need to expand capacity. This was done through a constant educational process. The City would need to take a similar initiative to create a task force, define sustainability and engage in public outreach to convey the importance.

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<sup>92</sup> Public Management (PM) is the official magazine of the International City/County Management Association (ICMA).

<sup>93</sup> Moore, Barbara. Magazine article from Public Management, Vol. 94, No. 5, (June, 2012).

The committee agreed that the City Council should convene a task force of citizens and experts with intent of the completing the following tasks:

- Develop a process to solicit input from the community that will develop a shared vision of a sustainable New Braunfels;
- Determine the components of sustainability that should be addressed with a concerted strategy;
- Develop a process by which sustainable development can be measured
- Implement a plan for sustainability in New Braunfels;
- Continuously educate community stakeholders on the subject; and
- Dedicate the next Mayor’s Economic Development Summit to the concept of sustainability.

## D. Summary of Existing Studies, Reports and Plans

### **City of New Braunfels Comprehensive Plan**

The City's Comprehensive Plan, completed between 1997 and 1999, formed the foundation that helped articulate the City's economic development goals. In 2006, the City Council and City Staff undertook an update to the comprehensive planning effort that established new goals for the future of the community. These goals were written to achieve stable and efficient development, sustain the value of community investment and create and preserve the best possible environment for its citizens. The plan is composed of the following elements, referenced throughout the economic development strategic planning process.

- Land Use and Zoning
- Housing / Neighborhoods
- Transportation
- Water Resources, Drainage and Flood Damage Prevention
- Economic Development
- Utilities
- Environmental Protection
- Downtown
- Historic Preservation
- Parks and Recreation
- Education and Youth
- Capital Improvements
- Implementation

Here is the list of economic development goals from the 2006 comprehensive plan.

- Address community-wide economic development strategy in a coordinated, multifaceted effort.
- Address community infrastructure improvement and expansion related to economic development.
- Support economic development programs to recruit and attract new businesses, and to retain and expand existing businesses.
- To provide quality economic growth supportable by available human and natural resources.
- Recruit, expand, and retain primary industries that pay above average wages.
- Identify needs of regional and national tenants.
- Identify areas where public and private funds can be used for business development.
- Continue working with tourism based organizations to promote the City as a place to meet, visit and vacation.
- Increase the availability of training programs which will provide skills needed to enter the workforce and to promote business development.
- Promote heritage tourism.
- Work to attract recreational facilities for tourists that may also address the City's lack of year-round family entertainment.



### **Downtown Implementation Plan**

*The Downtown Implementation Plan (2010)* intended to provide a roadmap for the city, development community and stakeholders to spur economic development and direct public revitalization projects in Downtown New Braunfels. The report provided a set of catalytic design and development actions and policies to strengthen market opportunities and enhance the look and feel of the downtown core to be an attractive, vibrant, walkable and community-oriented district.

### **Center for Entrepreneurship Plan**

*The Center for Entrepreneurship Plan (2012)* outlined the role of the University of Texas-San Antonio (UTSA) Small Business Development Center (SBDC), whose mission is to foster small business success by rapidly growing communities in Comal and Guadalupe counties by promoting entrepreneurial activity. The plan outlines the specific SBDC activities that focus on new business startups and the expansion and retention of existing businesses and what metrics that will be used to measure its success.

### **Build NB Marketing Plan**

*The Build NB Marketing Plan (2011-2012)* mission is to target, attract and provide strategic counsel to identified business prospects with the goal of creating high-wage jobs, community wealth and overall better quality of place. The plan outlines the following goals to achieve this mission:

- Recruit, expand and retain targeted primary industries that pay above-average wages.
- Address community-wide economic development strategies in a coordinated, multifaceted effort.
- Create brand image and awareness.
- Gather and disseminate economic data and other unbiased resources to prospective clients.
- Address community infrastructure improvement and expansion related to economic development.
- Market New Braunfels to those types of businesses and industries identified in the target industry list.
- Provide quality economic growth supportable by available human and natural resources.
- Identify needs of regional and national tenants.

### **New Braunfels Regional Airport (BAZ) Business Plan**

*The New Braunfels Regional Airport (BAZ) Business Plan (2011)* assessed potential means to improve the airport's financial performance, economic development and operation. The business plan evaluated a number of potential operational and development scenarios and provided the City of New Braunfels with decision-making information. Specifically, it reviewed the following components: potential growth in operations, the competitive setting in the Austin-San Antonio Corridor, the highest and best use of airport property, the benefits and costs of attracting corporate aviation, protection of airport approaches for safety and noise in the vicinity of the airport, the potential for hangar development, the optimum development of the airport's south side and a number of other facility-related issues.

### **Comal County Tourism Industry Economic Impact Assessment**

*The Comal County Tourism Industry Economic Impact Assessment (2007)* used an input-output analysis of new economic activity to identify the economic impact of Comal County travel and tourism in 2006. The report stated that the tangible value of travel and tourism to Comal County and New Braunfels is an important part of local and regional job growth. Economic activity attributable to the "importing" of external dollars into the community in the form of spending by non-Comal residents supports thousands

of jobs and provides millions of dollars in earnings for local residents each year. The City and County also benefit, as tax revenues attributable to the impact of travel and tourism approach \$5 million annually.

### **New Braunfels Hospitality Economic Impact Assessment**

The Greater New Braunfels Economic Development Foundation (EDF) sponsored the *New Braunfels Hospitality Economic Impact Assessment* (2009) to better understand the hospitality industry. The hospitality industry was defined in this report as businesses in industries that derive significant earnings from tourists or out-of-town visitors. Travel accommodations from hotels, motels, bed and breakfasts and campgrounds are included as well as water recreation, river outfitters and restaurants. The primary source of data used to estimate the hospitality industry's economic impact was the 2009 state sales tax allocation for the City of New Braunfels. Below is a list of the core findings in the report.

- The hospitality industry's impact during 2009 was \$469.6 million or approximately 20 percent of the total economic activity in New Braunfels.
- The hospitality industry is responsible for more than \$121.8 million in wages to full-time and part-time employees each year.
- The businesses that comprise the hospitality industry support more than 6,979 jobs, which represent 27 percent of total employment in New Braunfels.
- The hospitality industry has shown solid growth over the period with total economic output rising 27 percent over the five-year period (2005-2009) at an annual growth rate of more than 6 percent.
- Workers' earnings in the hospitality industry grew 37 percent since 2005 and employment increased 32 percent during the same five-year period (2005-2009).
- The fiscal impact of the hospitality industry is significant, contributing more than \$12.8 million in taxes and fees each year to the City of New Braunfels. This represents nearly 19 percent of total city revenue received during the year.

### **New Braunfels Talent Project**

TIP Strategies, an Austin-based business and economic development consulting firm, conducted a data-driven analysis of New Braunfels efforts to meet future employment demands of an aging workforce. That is, they were concerned with how New Braunfels could create an environment that is conducive to attracting and retaining a talented workforce. The *New Braunfels Talent Project* (2009) report focused on six specific implementation strategies to ensure talent attraction and retention is an important part of any community's economic development strategy.

### **New Braunfels Amateur Sports Feasibility and Impact Study**

The *New Braunfels Amateur Sports Feasibility and Impact Study* (2010) measured the potential economic impact and tax revenue associated with an expanded effort to capture a greater share of the amateur sports travel market. The report estimated that amateur sports travelers take an average of 2.5 trips per year, with average party size of 3.3 persons per trip. Taken together, this translates to an estimated total of 1,225,482 amateur sports-related trips in Texas during 2008. The report then estimated what percentage of the total market the City of New Braunfels could expect to capture if it invested in a Sports Complex, which came out to be somewhere between 0.25 percent and 0.75 percent of the total market, with the midpoint (0.50 percent) a reasonable baseline assumption.

### **New Braunfels Sports Complex Feasibility and Impact Study**

The *New Braunfels Sports Complex Feasibility and Impact Study* (2012) reviewed the potential impact of a new sports/recreation complex in New Braunfels and included an analysis of industry

trends/characteristics, local market conditions, competitive/comparable facilities and host communities, market demand, a supportable facility program, financial operations and economic impacts. The envisioned sports/recreation complex would act both as an economic generator (by attracting tournaments/competitions with non-local participants and attendees) and as a public resource for local residents (by accommodating local sports and recreation activities). The Sports/Recreation Complex could possibly include a natatorium (aquatic center) and/or indoor and outdoor elements.

Overall, the market research and analysis conducted for this study suggests measurable market demand for non-local sports tournaments, competitions and meets that is currently unmet by existing local facilities. In addition, the existing inventory of sports/recreation facilities (in terms of number, quality and decentralized nature) may be constraining long-term growth and development of, and participation in, local sports leagues, clubs and programs. The report did estimate that total annual attendance for a sports/recreation complex could sustain over 400,000 people and could generate just over \$40 million in total economic impact. The full feasibility study will be released to the greater public sometime in late summer 2012.

#### **New Braunfels Health Care Industry Report**

The *New Braunfels Health Care Industry Report (2010)* outlined the increase in employment specific to the health care sector in the New Braunfels Area Economy. The Texas Comptroller of Public Accounts, Local Government Assistance and Economic Development Division, used data collected from the Economic Modeling Specialists, Inc. (EMSI) and the Texas Comptroller of Public Accounts to identify the health care sector's influence on total employment, which has been steadily increasing from 7.9 percent of total area employment in 2001 to 9.9 percent in 2010.<sup>94</sup> The report also noted that over a ten-year period (2001 to 2010), employment growth in the New Braunfels area health care and social assistance sector has grown at a faster pace than the overall area economy. From 4,252 workers in 2001, employment in this sector has added 2,641 workers to reach an estimated 6,893 by 2010. This 62 percent increase in employment has overshadowed the 29 percent increase in overall area employment for the same time period.

#### **Clarus Corporation Study on Educational Market Assessment for Comal and Guadeloupe Counties**

The *Clarus Corporation Study (2010)* was the driving force behind the Mayor's Higher Education Task Force initiatives outlining the major education market changes from 2000 to 2010, the major market issues for the CTTC, and recommendations for each market segment examined: adults, employers and high school students. The study noted that after increasing enrollments for the last six years, the CTTC is almost at maximum utilization of their physical facility. Specifically, the study recommended adding certifications and one-year certificates to the program offerings at the Center and to start the accreditation process for community college status so that the Center can offer associate degrees.<sup>95</sup>

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<sup>94</sup> A Preliminary Analysis of the Importance and Impact of the Health Care and Social Assistance Sector on the New Braunfels Area Economy, (2010).

<sup>95</sup> The Clarus Corporation Study. Prepared for Higher Education Task Force of The Greater New Braunfels Chamber of Commerce, Inc., (2010).

## E. Resource Speaker Summaries

Over twenty resource speakers shared their knowledge and expertise with the New Braunfels economic development strategic planning participants. Specifically, the resource speakers were invited by the committee members, as agreed upon by the chair, to attend bi-weekly committee meetings and share their knowledge and expertise pertaining to the committee's charge.

### Investment Committee

Mr. Carlton Schwab  
President/CEO  
Texas Economic Development Council  
Monday, April 23<sup>rd</sup>, 2012

Mr. Schwab opened up the discussion by reaffirming the community's efforts to engage its regional partners (e.g. cities of Seguin and Schertz). The 10-35 Corridor and the Greenbelt Coalition were mentioned as two regional organizations that could positively affect economic development in New Braunfels. Mr. Schwab then turned his discussion to marketing and attraction efforts. New Braunfels is part of the Team Texas campaign, which represents close to seventy-five Texas communities that are marketed by way of international conferences and directly to site consultants. When asked on what strengths New Braunfels has to build, Mr. Schwab reiterated the City's strong tourism economy and its ability to build on its natural assets. A weakness that Mr. Schwab mentioned was the appearance of the County (e.g. billboards and signage). The discussion ended with Mr. Schwab explaining why Texas property taxes are higher than most states and giving information on the Texas Chapter 3.13 incentive program that needs approval in 2014.

Ms. Alejandra Bueno  
South Texas Regional Representative  
Office of the Governor  
Monday, April 23<sup>rd</sup>, 2012

Ms. Alejandra Bueno used a PowerPoint presentation to lead the Committee through the State of Texas' economic development resources that are available to communities such as New Braunfels. She mentioned that the Governor's Office receives multiple business relocation and expansion leads. The State office compiles a matrix that compares cities that meet the businesses relocation criteria. Ms. Bueno then reviews the list of economic development financial resources that the State offers, and she described the process to apply for each resource. Both Mr. Carlton Schwab and Ms. Alejandra Bueno acknowledged that New Braunfels has a well-regarded economic development delivery system.

Mr. Roger Tuttle (*Large Employer Panel*)  
CEO  
Great American Products  
Monday, April 30<sup>th</sup>, 2012

Mr. Michael Dietert (*Large Employer Panel*)  
Vice President and General Manager  
New Braunfels Smokehouse, Inc.  
Monday, April 30<sup>th</sup>, 2012

The panel of large employers discussed the City's regulatory environment. The panel mentioned the fact that the large employers actually create jobs; but, when it came time to expand their operations, they ran into regulatory and permitting hurdles. Both panel members raised workforce issues. For example, a Texas Workforce Agency sent twelve people to start working at Great American Products. However, of the twelve, only one person actually showed up for the job. The panel reiterated the fact that soft skills training was needed, but it did not offer any immediate solutions.

The Investment Committee was interested in finding out how the New Braunfels's regulatory environment compared to neighboring cities such as Seguin and Schertz. The Committee chair tabled this discussion in order to continue the dialogue. Also, the Committee was interested to find out if there is a list of fees (e.g. roadway, sewer, utility, watershed and other impact fees) that the City could organize. Jeff Jewell mentioned that the City is currently working on this issue and that more information will be available in the summer or early fall. When asked to focus on solutions, the Committee considered ideas of forming a "one-stop shop" for new and expanding companies to move through the regulatory environment. This would help them build out more robust pro-formas.

Mr. Matthew Stedman (*Health Care Panel*)  
Director - Cardiovascular Services  
CHRISTUS Santa Rosa Hospital - New Braunfels  
Monday, April 30<sup>th</sup>, 2012

Ms. Tess Coody (*Health Care Panel*)  
CEO  
Resolute Health  
Monday, April 30<sup>th</sup>, 2012

Ms. Jennifer Malatek (*Health Care Panel*)  
CEO  
New Braunfels Regional Rehabilitation Hospital  
Monday, April 30<sup>th</sup>, 2012

The health care panel acknowledged that the industry is rapidly improving its IT infrastructure because hospital reimbursements depend on it for effective operations. One reoccurring theme the Committee found interesting was the idea of practicing at the "top of your license," a policy that helps mitigate underemployment of hospital staff. The Committee asked what they could do to make sure the community was aware of the large growth in medical providers in New Braunfels, which led to a short discussion on a new strategy/marketing plan (*e.g. Shop New Braunfels First Campaigns*).

Moreover, the panel noted that primary care physicians are the foundation of the medical industry. Therefore, one new strategy that the Committee could adopt would be to help recruit primary care providers to New Braunfels. Also, Jennifer Malatek indicated that there is a possibility to survey the medical workforce to determine if there are transportation or housing issues in the City.

Mr. Jeff Jewell  
Development Coordinator  
City of New Braunfels  
Friday, May 11<sup>th</sup>, 2012

The meeting started with City Development Coordinator Jeff Jewell presenting a brief summary of the *New Braunfels's Comprehensive Plan*. Throughout 1997-1999, a large number of community stakeholders formed nine committees to generate goals for the City leadership on multiple fronts (e.g. land use, recreation, housing, infrastructure, etc). In 2006, the City internally updated the *New Braunfels Comprehensive Plan* to reflect changing priorities of the City. Mr. Jewell mentioned that one of the shortcomings of the plan is that it did not identify specific strategies, action items or even responsible parties to achieve these goals. Subsequently, the plan will be updated in the coming years, and the economic development strategic planning process currently underway will serve to inform that plan.

Mr. Michael Meek (*Economic Development Marketing and Attraction*)  
President and CEO  
Greater New Braunfels Chamber of Commerce  
Friday, May 11<sup>th</sup>, 2012

Mr. Rusty Brockman (*Economic Development Marketing and Attraction*)  
Economic Development Director  
Greater New Braunfels Chamber of Commerce  
Friday, May 11<sup>th</sup>, 2012

The next discussion was led by Michael Meek and Rusty Brockman, representatives of the Greater New Braunfels Chamber of Commerce, which contracts with the City, EDF, NBU and Comal County to perform specific economic development functions. Mr. Meek started the discussion by reiterating the fact that the Chamber's work directly coincides with *New Braunfels's Comprehensive Plan*. The Chamber, City and Foundation are represented by the brand *Build NB*. The *Build NB* brand serves as the single point of contact that offers corporate support for businesses looking to create new jobs in the area via either relocating new businesses or helping existing businesses expand. Public funding for *Build NB* comes from the Chamber, New Braunfels Industrial Development Corporation, NBU and Comal County. Regionally, the Chamber has formal economic development partnerships between its neighboring cities. The 10/35 Economic Development Alliance is a partnership amongst *Build NB* and the Schertz and Seguin Economic Development Corporations with a primary goal to recruit and retain business and industry within the region. It is important to note that social media and GIS interfaces have been implemented in the Chamber's economic development marketing efforts.

The Chamber indicated that it will hold off on developing its two-year marketing strategy until this economic development strategic planning effort is complete so everyone is "rowing in the right direction." The Committee inquired as to how the Chamber's recruitment strategy has changed over time, and the Committee explained that it focuses its efforts on high-wage jobs, quick response times to prospects and continuously learning from its competition. The economic development weaknesses mentioned were the lack of rail access, the lack of high-ceiling sites/properties and the inability to work regionally with San Antonio. The strengths mentioned include the location between two large cities, Type B, and the economic development delivery system (i.e. Chamber and the City). It is important to note that the Chamber presents quarterly reports to the New Braunfels Industrial Development Corporation and both semi-annual and annual reports to the City Council on behalf of its work.

Mr. Mario Hernandez  
President  
The San Antonio Economic Development Foundation  
Thursday, May 24<sup>th</sup>, 2012

Mr. Jeffrey Finkle  
President and CEO  
International Economic Development Council  
Thursday, May 24<sup>th</sup>, 2012

Mario Hernandez, of the San Antonio Economic Development Foundation (EDF), spoke to the Committee about the restructuring that is currently underway to focus the EDF's resources on business retention and expansion. Mr. Hernandez indicated that the EDF is focused primarily on the following clusters: health care, back office operations, insurance/financial sector, IT/information security, aerospace/advanced manufacturing and data centers. He mentioned that the EDF is currently studying San Antonio's corporate image and determining if its brand, "brain power," is effective. Job growth in San Antonio continues to increase and the city has successfully brought in over 5,000 jobs due to Eagle Ford Shale natural gas extraction alone. Mr. Hernandez informed the committee that the EDF will be undertaking an eight-county strategic planning effort and that New Braunfels/Comal County will be invited to join.

The discussion started by examining the rapid growth of the healthcare sector in New Braunfels. IEDC President and CEO Jeff Finkle elaborated on the difference between long-term planning and "triage" efforts (e.g. expanding a single roadway intersection to accommodate ambulance services) that need to be undertaken to manage rapid growth. From an infrastructure standpoint, the City is working on thoroughfare plans to manage this growth. City Manager Michael Morrison mentioned that the City Council will ultimately identify and approve specific infrastructure projects.

The Committee discussed how New Braunfels can lay the foundation for technology-transfer and commercialization support programs and discussed how the San Antonio and Austin regions have attracted high technology companies. For example, Michael Meek mentioned that the Eagle Ford Shale natural gas extraction that is occurring south of San Antonio is already helping local manufacturers expand their operations.

The Committee discussed the shortage of sites and facilities in New Braunfels and how this shortage adversely affects business attraction and expansion. Currently, there are no Class A office facilities and very few Class B facilities available in the city. The Chamber representatives mentioned that it receives calls from prospects for 15,000+ square foot facilities with high-ceilings, but the City does not have any such properties available. The Committee also briefly discussed the city's height limitations that may deter real estate development.

The permitting and regulatory process was discussed, and City Manager Michael Morrison described the efforts that are currently underway to streamline the permitting process. He described how the City encourages predevelopment meetings where the developer can meet with all of the City departments ahead of time to learn about the process. Also, he mentioned that the City is well aware of the need to continuously monitor and improve the process.

The Committee also discussed the efforts underway to recruit a downtown hotel and the need for public involvement in the process. There is a study underway that is examining the feasibility of a downtown hotel/conference facility that should be released in early June 2012. The Committee briefly discussed the *Build NB* brand and decided that a marketing consultant could be hired to review the City's image/brand and that the *Economic Development Strategic Plan* will inform this effort. Before the meeting adjourned, each committee member was asked to indicate which strategy should be given the highest priority for further research and development, and alternatively, which strategy should be tabled to maximize the community's economic development resources.

Ms. Raquel Favela  
Director  
National Development Council (NDC)  
Friday, June 15<sup>th</sup>, 2012

Raquel Favela, Director of the National Development Council (NDC), provided an overview of NDC's work, which includes increasing the flow of capital to underserved communities for economic opportunity, job creation, small business development, affordable housing, neighborhood revitalization and general community development. She focused specifically on NDC's use of New Market Tax Credits (NMTCs) and she provided a few examples to show how other communities undertook this effort. It is important to note that NDC is a 501c3 not-for-profit organization that works for public entities such as municipal and county governments.

NDC can provide tax credit equity to a community project and help structure NMTCs deals, in addition to finding the necessary additional financing, and develop relationships with other organizations that receive allocations of the tax credits (Community Development Entities or CDEs) to provide NMTCs. Large industrial projects are a good fit for NMTCs, and Ms. Favela mentioned that the NMTCs program does have a higher administration cost, so only projects above \$4 million are typically reviewed. NDC is a unique development organization in that it has a pool of investors that are ready to invest in economic development projects.

The discussion ended with how the financing process works with NMTCs. Ms. Favela pointed out that all sources of financing need to be identified before the allocation of NMTCs can be considered. NDC does help identify financial resources including equity, debt and government grant programs.

Mr. Michael Meek (*Economic Development Marketing and Attraction*)  
President and CEO  
Greater New Braunfels Chamber of Commerce  
Friday, May 11<sup>th</sup>, 2012

Michael Meek then gave a presentation on the reasons for a proactive approach to identifying and acquiring strategic commercial-industrial land sites for economic development purposes. Mr. Meek provided a handout that included a presentation he made to city council last September 2011 on proper uses of sales tax, which described: the average building sizes and land acreage sizes from referrals via the Governor's Office the last 2+ years, existing commercial and industrial buildings and a spreadsheet of all referrals since 2009.

Mr. Meek mentioned that the New Braunfels Industrial Development Corporation has considered purchasing a targeted site for economic development, and that it is currently negotiating with the seller.



This is a very important part of the discussion, since the Investment Committee decided that addressing the site and facility shortage for business recruitment and expansion was their primary goal-need (i.e. IEDC led strategic planning group exercise).

IEDC Facilitated Committee Meeting  
Friday, June 29<sup>th</sup>, 2012

The Committee reviewed the SWOT Matrix provided by IEDC with two comments pertaining to the regulatory environment in the City. A short statement, “regulation as a deterrent for growth,” was added to the Threats box in the SWOT Matrix. The Committee then reviewed a draft set of goals, objectives and strategies that IEDC provided. The Committee discussed if the word “commercial” should replace the word “industrial” in the goal, objective and strategies. The Committee discussed the perception issue and negative connotation of the word “industrial.” The Committee came to a consensus around using the term “commercial” instead of “industrial.” The Committee also discussed Strategy (3) and decided that it would be better to reword the statement. The phrase “reduce development risk” was changed to “increase opportunity for business expansion.” IEDC informed the Committee members that there will be action steps below each strategy to further define the processes required to achieve each goal.

## Entrepreneurial and Small Business Development Committee

Mr. Morrison Woods  
Director  
Small Business Development Center (SBDC)  
The University of Texas at San Antonio  
Wednesday, April 18<sup>th</sup>, 2012

Mr. Morrison Woods from the University of Texas at San Antonio SBDC provided an overview of the SBDC services offered in New Braunfels, which primarily focus on access to capital, contracting and procurement opportunities and exporting initiatives. Mr. Woods used Reference USA and U.S. Census data to explain the current entrepreneurial and small business environment in Comal County and the region. Mr. Woods cited the SBDC’s enthusiasm to work in the region, including focused efforts to help the Hispanic community. The Chamber often offers training and technical assistance services, and the SBDC is working closely with the Chamber to make sure resources and scheduled events are planned in advance. Some of the concerns that the SBDC hears on a regular basis that stifle job creation include trouble finding qualified employees, access to capital and the permitting and regulatory environment in some cities. At the end of the discussion, Mr. Woods cited several reasons business expansions fail, which include the unwillingness of business owners to take risks in today’s market and new business owners’ lack of the credit worthiness needed to obtain a loan.

Mr. Barry Williams (*Panel of New Braunfels Bankers*)  
CEO  
First State Bank  
Wednesday, April 18<sup>th</sup>, 2012

Mr. Todd Harper (*Panel of New Braunfels Bankers*)  
Senior Vice President

First Commercial Bank, N.A.  
Wednesday, April 18<sup>th</sup>, 2012

The panel of local bankers began the discussion by reassuring the Committee that local banks in New Braunfels have cash to lend. However, these same banks have strict credit standards that need to be met in addition to the constraining regulatory environment. The smaller banks in the City focus on niche markets and work well together. The deal flow process could be improved if a loan guarantee program was in place to reassure lenders of the security of their investment. The possibility of expanding micro-loan opportunities in the \$10 thousand – \$30 thousand range was raised, which the banks were open to considering.

Mr. Howard Baker (*Panel of Credit Union Representatives*)  
Senior Vice President, Chief of Staff  
Security Service Federal Credit Union  
Monday, April 30<sup>th</sup>, 2012

Mr. Kenan Pankau (*Panel of Credit Union Representatives*)  
SBA Program Manager  
Randolph Brooks Federal Credit Union  
Monday, April 30<sup>th</sup>, 2012

This credit union panel reiterated the fact that money is available to lend, but finding borrowers that meet the core requirements for a loan is difficult. The Randolph Brooks Credit Union has an SBA portfolio of \$25 million and is looking to expand these services to car dealerships, medical facilities and restaurants. While Peoplefund (peoplefund.org) and Accion Texas are micro-lenders that do work in the region, both panel members also acknowledged that the high-technology and high-risk small business startup referral system (e.g. angel or venture capital) is weak and that they do not currently participate in business plan competitions.

Mr. Pat Wiggins (*Panel of Downtown Establishments*)  
President  
Wiggins Company  
Monday, April 30<sup>th</sup>, 2012

Mr. Don Forbes (*Panel of Downtown Establishments*)  
Owner  
Huisache Grill  
Monday, April 30<sup>th</sup>, 2012

Mr. Ron Snider (*Panel of Downtown Establishments*)  
Entrepreneur  
New Braunfels Smoker Company  
Monday, April 30<sup>th</sup>, 2012

This downtown establishment panel consisted of New Braunfels building owners and restaurateurs. Landscaping ordinances were discussed, and the need for both maintenance on current infrastructure and aesthetic improvements to the downtown were noted. The panel questioned the use of incentives to attract large employers that could adversely affect small businesses (i.e. large retailer effect). The

Committee was interested in learning about small business failures/closures in the City and asked if this data was collected. The Committee briefly talked about the newly formed Young Professionals (YP) network in New Braunfels and sought a better understanding of how “talent” affects economic development.

Ms. Sharon Miller (Tour of local SBDC facilities)  
Executive Director  
Small Business Development Center New Braunfels  
Monday, April 30<sup>th</sup>, 2012

Ms. Miller led the Committee to the New Braunfels SBDC and highlighted the conference facilities, training programs and meeting space that is available. Ms. Miller informed the Committee of her scheduling criteria and how she works with the Chamber to schedule small business training sessions that address the needs of the community. It is important to note that both the Cities of Sequin and Schertz have a financial stake in the ongoing success of the SBDC due to their yearly financial contributions into the SBDCs operating budget.

Mr. Jeff Jewell  
Development Coordinator  
City of New Braunfels  
Monday, May 14<sup>th</sup>, 2012

The meeting started with City Development Coordinator Jeff Jewell presenting a brief summary of the *New Braunfels’s Comprehensive Plan*. In 1999, a large number of community stakeholders formed nine Committees to generate goals for the City leadership to achieve on multiple fronts (e.g. land use, recreation, housing, infrastructure, etc). In 2006, the plan was updated by the City internally to reflect changing priorities of the City. Mr. Jewell mentioned that one of the shortcomings of the plan is that it did not identify specific strategies, action items or even responsible parties to achieve these goals. The plan will be updated in the coming years and the economic development strategic planning process that is currently underway will inform that plan.

Mr. Sean Garretson, AICP  
Economic Development Director  
Austin-San Antonio Corridor Council  
Monday, May 14<sup>th</sup>, 2012

Mr. Sean Garretson, AICP (The Greater Austin - San Antonio Corridor) presented on the topic of food trailer parks. Through a series of printed handouts, Mr. Garretson helped the Committee understand the economic impact of food trailers, the regulatory process of creating a food trailer park and City’s ordinances that should be considered. Mr. Garretson noted that food trailers are often owned and operated by local restaurants to try out new dishes at very low overhead cost. In Austin, food trailers began as a neighborhood development strategy and they have now been tied to talent attraction campaigns and musical entertainment venues.

Mr. Garretson specifically mentioned the City Health Department’s role in addition to the permitting process. Specific ordinances such as decibel level control, proximity to restaurants and residential homes and signage were mentioned with the caveat that the regulatory burden should be managed efficiently. Mr. Garretson also noted that specific neighborhoods in Austin have adopted more stringent

regulations. Other issues regarding food trailers included parking, security and music/entertainment options for low-income families. When asked about co-working and collaborative spaces, Mr. Garretson mentioned that Austin has seen a growth in these “entrepreneurial hubs.”

Mr. Jeffrey Finkle  
President and CEO  
International Economic Development Council  
Thursday, May 24<sup>th</sup>, 2012

The discussion started by examining whether there was an awareness problem in the community about the services available at the Center for Entrepreneurship. Sharon Miller mentioned that the SBDC, which is located at the Center for Entrepreneurship, does not have a standalone website, but that the SBDC is currently meeting its goals for small business technical assistance and consulting. The Committee briefly discussed whether an expanded marketing effort would be fruitful if the SBDC is currently running at capacity. Jeff Finkle then suggested that the Committee investigate opportunities to leverage New Braunfels’s minimal assets, including:

- Creating a crowd-buying program hosted by the YP network (e.g. hyper-local strategies),
- Creating an annual awards program hosted by the Chamber and SBDC,
- Creating a small business appreciation day, and
- Linking the high school’s junior achievement program to the Center for Entrepreneurship.

The Committee discussed the need for a bilingual marketing program to help the growing Hispanic community understand what entrepreneurial and small business development resources are available in New Braunfels. Sharon Miller mentioned that bilingual services are currently available at the SBDC. Other services discussed that could help engage the Hispanic community included:

- Creating a directory of ethnically-owned businesses in New Braunfels,
- Creating a business retention program that calls ethnic businesses on a volunteer basis,
- Creating a bilingual pamphlet for the SBDC, and
- Helping the ethnic community use social networking websites (e.g. urban spoon, yelp) to attract customers.

The Committee also discussed the availability of financing for loans that range from \$10 thousand to \$100 thousand. These loans are often referred to as “character loans,” because the applicant may have little startup capital and few assets to secure the loan. Currently, there is not a micro-loan program located in New Braunfels, but there are programs located in San Antonio and Austin. The Committee then discussed if a consortium of banks could be formed to fill this lending gap. Overall, it was decided that this strategy needed to be reviewed in more detail.

The discussion ended with confirming that the availability of affordable space for startups and small businesses is limited. Jeff Finkle described how co-working and collaborative spaces have been developed in other cities to address this problem. Also, the limited availability of Wi-Fi and fiber optic networks was briefly discussed along with the city’s regulatory environment. Before the meeting adjourned, each committee member was asked to indicate which strategy should be given the highest priority for further research and development, and alternatively, which strategy should be tabled to maximize the community’s economic development resources.

Ms. Raquel Favela  
Director  
National Development Council (NDC)  
Friday, June 15<sup>th</sup>, 2012

Ms. Raquel Favela, Director at the National Development Council (NDC), provided an overview of NDC's work, which includes increasing the flow of capital to underserved communities for economic opportunity, job creation, small business development, affordable housing, neighborhood revitalization and general community development. She focused specifically on NDC's Grow America Fund and she provided a few examples to show how other communities undertook this effort. It is important to note that NDC is a 501c3 not-for-profit organization that works for public entities such as municipal and county governments.

NDC's Grow America Fund (GAF) operates as a community development lender to support the creation of jobs and the expansion of eligible small businesses in underserved areas, particularly minority and women-owned businesses. The financing provided is partially guaranteed by the U.S. Small Business Administration (SBA) under GAF's Small Business Lending Company license, and GAF has Preferred Lender status nationwide. NDC does not compete with local banks for deals, as GAF is designed to help business expansions that could not find mainstream financing options. It does not work with startups, and GAF is not designed to be a micro-lender. Subsequently, this did not answer the issue of finding available financing for \$10 thousand - \$100 thousand character loans, which is the strategy currently being discussed.

The Committee reviewed the meeting minutes from IEDC's last site visit and mentioned that using an online survey could help the community collect data, which could be easily shared with the members of the Comal Hispanic Council group and Young Professionals Organization (YPO) locally. The Committee came to agreement on the use of creating a "crowd-buying" program, creating a directory of ethnic businesses, instituting a retention program for ethnic-owned businesses and a SBDC bilingual pamphlet. Those Committee members present during the breakout session suggested linking the SBDC services and information on the San Antonio website to a localized site and also linking it to the Chamber's web site.

IEDC Facilitated Committee Meeting  
Thursday, June 28<sup>th</sup>, 2012

The Committee reviewed the IEDC-provided SWOT Matrix with minimal comments and corrections. The Committee then reviewed a draft set of goals, objectives and strategies that IEDC provided. The Committee discussed how to tweak the language under the first objective to include servicing existing small business and not startups alone. A short discussion on risk mitigation to stabilize the micro-loan fund led the Committee to add the phrase "and existing small businesses" to the objective statement. Strategies (2) and (3) were discussed, and the Committee asked IEDC to provide clear guidelines on how the PRI and Center for Entrepreneurship would be able to administer funds. Regarding the marketing strategy, the Committee thought it would be more beneficial to create a standalone website for the SBDC and create a social media presence to reach the target market. Also, it became clear that the Comal County Hispanic Council would be an ideal partner to help implement these strategies.

## Services Committee

Mr. Mario Medina  
San Antonio District Engineer  
Texas Department of Transportation (TxDOT)  
Wednesday, April 18<sup>th</sup>, 2012

Mr. Clay Smith  
Transportation Planning and Development Director  
Texas Department of Transportation (TxDOT)  
Wednesday, April 18<sup>th</sup>, 2012

The panel discussed how the Texas Department of Transportation is comprised of twenty-five districts to make the State's infrastructure planning and implementation process more manageable. The two main concepts threading the conversation were: 1) Thoroughfare plans, and 2) The foresight it takes for a City to properly build "right-of-ways." For example, transportation planning typically focuses on 30-year outlooks instead of 3-years. TxDOT warned that large development projects need to have suitable right-of-ways built into the development plan. Similarly, if the City doesn't take a proactive approach early in the development process, it will pay a much higher cost to correct this lack of action years later. The panel concluded the discussion with some thoughts on mobility. The panel mentioned that limiting road access increases speed, but can also reduce economic development prospects. Finally, the panel indicated that TxDOT is impressed with the city, county and region's ability to speak with one voice when seeking assistance from TxDOT.

Ms. Judy Young  
Convention and Visitors Bureau Director  
Greater New Braunfels Chamber of Commerce  
Wednesday, April 18<sup>th</sup>, 2012

Ms. Young began her discussion by defining the City's brand. Tourism and hospitality, she noted, are very much a part of economic development in New Braunfels, and this is underscored by the fact that economic development prospects often visit the City's recreational facilities. She then elaborated on the numerous statistics and metrics that the Chamber collects to better understand the impact of the tourism industry. The Committee asked Ms. Young to specify if the CVB uses "product lines" to describe the abundance of offerings in New Braunfels. She gave three needs for tourism locally: 1) A downtown hotel, 2) Sports facilities and 3) A remedy for the fact that the CVB marketing dollars are capped, which limits growth for success achieved. The discussion ended with some clarification on New Braunfels's heritage and the how the downtown, Gruene and other City assets play a role in telling that story.

Mr. Nathan Pence (*Utility and Infrastructure Panel*)  
Watershed Program Manager  
City of New Braunfels  
Tuesday, May 1<sup>st</sup>, 2012

Mr. Roger Biggers (*Utility and Infrastructure Panel*)  
Board of Trustees  
New Braunfels Utilities (NBU)  
Tuesday, May 1<sup>st</sup>, 2012

Ms. Paula DiFonzo (*Utility and Infrastructure Panel*)  
CEO  
New Braunfels Utilities (NBU)  
Tuesday, May 1<sup>st</sup>, 2012

The utility and infrastructure panel noted that New Braunfels Utilities (NBU) is a not-for-profit energy provider that sets its rates to cover its cost of operation only. NBU has reported positive growth in demand to the State every year and its recent five-year planning efforts indicated a need to add infrastructure based on higher load-level demand. Infrastructure development is driven by the private sector and the need to service new/greenfield development, while rehabilitation and maintenance are driven by new development and growth projections. Currently, NBU is looking at purchasing its energy from new providers.

Both the rapid use of water supply and the cost of water in New Braunfels may adversely affect economic development in the future. The population in the region continues to expand and so does the need to find new supplies of water to support them. This is coupled with a problem the Committee noted with the price of water, as it is expected to rise more than four times its current cost in the near future. Moreover, the Committee noted water quality as a growing concern, provided that much of the tourism economy in the City depends on clean water (e.g. river rafting and Schlitterbahn New Braunfels). Toward that end, the Committee briefly discussed water conservation initiatives/campaigns.

Mr. Robert Camareno (*City of New Braunfels Capital Improvement Program*)  
Assistant City Manager  
City of New Braunfels  
Tuesday, May 1<sup>st</sup>, 2012

Assistant City Manager Mr. Robert Camareno informed the Committee of the City's Capital Improvement Program (CIP) and provided a list of current projects underway. The CIP sets infrastructure priorities and identifies funding mechanisms to build and maintain the City's infrastructure and services. Mr. Camareno informed the Committee that the funding required to complete all of the Capital Improvement Projects over a ten year period was approximately \$327 million. Additional funding sources that could be leveraged to complete the CIP programs include: debt issuances, Type B economic development funds, federal and state grants, current revenues, cost-sharing agreements and storm water utility fees. Additionally, raising the "room tax" was noted as a method to help pay for new infrastructure (e.g. sports complex). Currently the City generates \$2.2 million in revenue from a seven cents room tax. The Committee noted that a periodic survey mailing to the community residents might help illustrate the needs of the community.

Mr. Garry Ford, Jr., P.E., PTOE  
Assistant City Engineer – Transportation  
City of New Braunfels  
Friday, May 11<sup>th</sup>, 2012

The City of New Braunfels's Traffic Engineer, Mr. Garry Ford, started the discussion by identifying the large traffic/infrastructure projects that are currently underway in New Braunfels. These include the Walnut Project, multiple drainage improvements and the downtown sidewalk upgrades. Mr. Ford indicated that he and the City are working closely with TxDOT to ensure the two agencies combine efforts to maximize public dollars. Over the next five years, the City will be taking over the traffic signal

timing maintenance and traffic pattern management, which San Antonio had previously managed. Mr. Ford mentioned that congestion during the high tourism season is being carefully studied to ensure traffic plans are in place to reroute automobiles and avoid further congestion. Other areas of concern for congestion include new developments around the Guadeloupe River and near Canyon Lake. It is important to note that the City of New Braunfels's population has grown enough to establish a metropolitan planning organization (MPO) which will help identify federal and state funding for future infrastructure projects. The organizational details of finalizing the MPO are still under discussion.

Mr. Bill Barker  
 Office of Environmental Policy  
 City of San Antonio  
 Friday, May 11<sup>th</sup>, 2012

Mr. Bill Barker of the Office of Sustainability in San Antonio began by defining the term sustainability (i.e. where the natural environment serves as the foundation of society and the economy) and how cities, particularly in Southern Texas, can work toward sustainable economic development. He presented San Antonio's *Mission Verde Plan Resolution*, which outlines a specific set of policies that the City adopted to promote greater overall economic development, efficient use of resources and public and environmental health.

Mr. Barker continued to describe low-impact development techniques that use the natural environment to counter degradation that occurs during the development process (e.g. using storm water run-offs to restore aquifers). For example, in the City of San Antonio, LEED certification, walkability, multi-modal transit and the materials used to make pavement are being studied to promote sustainable development, as well as in some cases, to create green jobs. Mr. Barker reiterated that funding is currently very tight for sustainable development and that some projects were taken off the books in the City. He concluded the discussion by challenging the Committee to consider the importance of the human dimension. Mr. Barker challenged the Committee to think about simple solutions such as turning off the lights at work. Following is the list of San Antonio's Office of Environmental Policy Performance Measure Recommendations:

Category	Recommended Indicators
Energy and Climate	Average Daily Vehicle Miles of Travel per Capita (for Bexar County)
	Annual Residential Electricity Consumption per Capita (KWh)
	Percent of Generation Capacity by Renewable Energy
Air Pollutants	PM2.5 Emissions (highest annual reading in $\mu\text{g}/\text{m}^3$ )
	NOX Emissions (highest annual value in ppb)
Water Resources	Annual Residential Water Consumption per Capita (gallons)
	Annual Waste Water per Capita (gallons)
Solid Waste	Solid Waste Produced per Capita (tons)
	Percent of Solid Waste Diverted from Landfill
Land Development	Population Density (persons/square mile)
Water Pollution	Maximum River Nitrate Concentration (mg/L)
	Maximum River Phosphorus Concentration (mg/L)
	Maximum River E. coli Concentration (CFU/100mL )



Mr. Jeffrey Finkle  
President and CEO  
International Economic Development Council  
Friday, May 25<sup>th</sup>, 2012

The Committee started the discussion by reviewing the tenets of sustainability and how they relate to economic development. Specific strategies such as creating an inventory of sustainable development initiatives, xeriscape landscaping, mitigating impervious covers and water conservation programs were reviewed. The Committee then focused on water usage and conservation, and Michael Meek mentioned that the Chamber does not recruit large water users because of the region's semi-arid climate.

The Committee came to consensus on the need to inform the City's residents what work is currently underway to preserve the region's water supply. This includes managing rapid population growth and infrastructure development with natural resource constraints. The Committee highlighted that they have recognized eight endangered species in the Comal/San Marcos watershed and are working to prevent their extinction.

The Committee also reviewed the utility and infrastructure development process and noted that developers who buy greenfields will be charged more to bring non-existing utility and infrastructure out to the property. This short discussion led to a quick review of in-fill development incentives that could be used to promote density. Noting that there is currently \$400 million worth of potential infrastructure projects in New Braunfels, the Committee discussed the opportunity for light rail in New Braunfels connecting the Austin and San Antonio corridor, in addition to developing a bus transit system.

The Committee then discussed the work of the Downtown Board and its current work on connectivity and walkability, also noting that there are three different boundaries for the New Braunfels downtown (e.g. historic district, walkability study, major roadways). The committee revisited the work around building a sports complex. The discussion ended with a short review of what efforts could be taken to preserve the culture and heritage of New Braunfels. Before the meeting adjourned, each committee member was asked to indicate which strategy should be given the highest priority for further research and development, and alternatively, which strategy should be tabled to maximize the community's economic development resources.

Ms. Raquel Favela  
Director  
National Development Council (NDC)  
Friday, June 15<sup>th</sup>, 2012

Raquel Favela, Director at the National Development Council (NDC) provided an overview of NDC's work, which includes increasing the flow of capital to underserved communities for economic opportunity, job creation, small business development, affordable housing, neighborhood revitalization and general community development. She focused specifically on NDC's use of New Market Tax Credits (NMTCs) and she provided a few examples to show how other communities undertook this effort. It is important to note that NDC is a 501c3 not-for-profit organization that works for public entities such as municipal and county governments.

NDC can provide tax credit equity to a community project and help structure NMTCs deals, in addition to finding the necessary additional financing, and develop relationships with other organizations that

receive allocations of the tax credits (Community Development Entities or CDEs). Ms. Favela also spoke about NDC's public-private partnership capabilities to fund municipal facilities, including a sports complex. She referred to the use of bond financing (501c3 bonds and 63-20 bonds) and the requirements for each of these forms of financing. There are also instances where public facilities are attached to private facilities, in which NMTCs can be used as a financing source.

The Committee then turned its attention to issues of sustainability. Led by Chairman Jay Brewer, the discussion prompted committee members to consider the concept of sustainability as more than just "greening" the community. Moreover, Mr. Brewer challenged the Committee to think about how sustainability concepts can be incorporated into citizen engagement, social capital, economic development, infrastructure, the natural environment, transportation and more. He then articulated how economic development and "place-making" are competitive issues, noting how New Braunfels should position itself to incorporate short-term strategies that lead to long-term economic growth and sustainability. The discussion concluded with confirmation of the need to keep the issue of sustainability a topic for this Committee to address.

IEDC Facilitated Committee Meeting  
Thursday, June 28<sup>th</sup>, 2012

The Committee reviewed the IEDC-provided SWOT Matrix with minimal comments and corrections. The Committee then reviewed a draft set of goals, objectives and strategies that IEDC provided. The Committee discussed how to build better quantitative indicators around the second objective (i.e. indicating the number of hotel rooms and minimum square footage of meeting space). Strategies (2) and (3) were discussed and the Committee found better language to clarify the task described.

The second goal statement was accepted, but there was a discussion around what dashboard indicators should be used, especially under the "Economic" heading. The Chair agreed that the second goal statement would provide helpful insight to the innovation-led economic development opportunities in New Braunfels, but that more work needs to be done. IEDC will work with the City and Chamber to define the economic indicators to substantiate the community's capacity.

Chair-led Discussion  
Committee Meeting on Sustainability  
Thursday, August 16<sup>th</sup>, 2012

The committee reconvened to discuss the sustainability component of its mandate. Jay Brewer conveyed that he did not feel the sustainability issue had been adequately addressed from the last round of meetings. He sought to have the committee meet to discuss recommending to the City Council that the City raise awareness of the subject's importance and that a process is developed and implemented to more fully involve the community and stakeholders in a conversation around the subject of sustainability. He said that addressing the sustainability question is important because it places the community in a better position from a competitive standpoint.

Jeff Jewell delivered a brief overview of sustainability in the context of the different forms of capital: natural, physical, economic, human, social and cultural. He also mentioned the need to begin developing a plan to establish baseline indicators that will give a holistic snapshot of the community's progress on a variety of fronts. Sustainability is an organizing framework or lens that should be applied to decision-making about policy and organizational development. Sustainable development is about making a

conscious choice to do development differently with a perspective to preserving the ability of future generations to prosper in a similar manner.

Members of the committee discussed the definition of sustainability. Reference was made to the June 2012 issue of *Public Management Magazine*<sup>96</sup>, which defined sustainability as “the ability of communities to consistently thrive over time as they make decisions to improve the community today without sacrificing the future.” It was agreed, however, that the concept of sustainability is an overwhelming subject and the difficulty rested in how to convey the subject’s importance to the community.

Committee members discussed the importance of developing a shared understanding first with the community’s decision-makers and then to reach out to the public. The process should endure through different city councils because this is ultimately a long-term effort if it is to have success. It was felt that it would be helpful to engage community leaders from all geographic regions of the City to act as spokespersons for the initiative. Additionally, the committee felt that there are many more benefits to be gained from sustainable development than there are costs over the long-run. Encouraging development partners, for example, to employ certain strategies may cost those interests more upfront from a monetary standpoint, but it yields benefits to the community that are not easily monetized.

Mr. Roger Biggers, New Braunfels Utilities, Board of Trustees, mentioned NBU’s experience implementing water restrictions and the relative ease the community has had in accepting the decision to ration water in an effort to extend the available supply and delay the need to expand capacity. This was achieved through a constant educational process. The City would need to take a similar initiative to create a task force, define sustainability and engage in public outreach to convey the importance.

The committee agreed that the City Council should convene a task force of citizens and experts to 1) Plan and develop a process to solicit input from the community that will develop a shared vision of a sustainable New Braunfels; 2) Determine the components of sustainability that should be addressed with a concerted strategy; 3) Implement a plan; and 4) Continue outreach and education efforts on the subject. It was also suggested that the next Mayor’s task force should focus on the sustainability question.

## **Workforce Resources Committee**

Ms. Jennifer Malatek (*Healthcare Panel*)  
CEO  
New Braunfels Regional Rehabilitation Hospital  
Tuesday, April 17<sup>th</sup>, 2012

Ms. Barbetta Womak (*Healthcare Panel*)  
Workforce Center Manager  
Workforce Solutions Alamo  
Tuesday, April 17<sup>th</sup>, 2012

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<sup>96</sup> *Public Management (PM)* is the official magazine of the International City/County Management Association (ICMA).

Ms. Helene Williams (*Healthcare Panel*)  
Human Resources Specialist  
Workforce Solutions Alamo  
Tuesday, April 17<sup>th</sup>, 2012

The Health Care Panel focused their discussion on two distinct challenges facing the industry. One such challenge is the acute shortage of nursing faculty to train new students, coupled with the second challenge of providing care for an aging baby-boom generation. The salaries for medical professionals vary from city to city, and while New Braunfels has a good quality of life to offer prospective medical professionals, it may not offer the highest salaries in the region. It was brought to the Committee's attention that an on-the-job training program is available for new nurses, which is underwritten by workforce agencies to cover the cost of training for a few months. The City of San Marcos, Texas (Texas State University) has a baccalaureate program for nursing and that the Gary Job Corp. Center is located there, too. The discussion ended with a realization that soft skills are an issue for today's workforce. The Committee was however unable to define the City's role in developing the soft skills of tomorrow's workforce at the time.

Mr. Chester Jenke (*Higher Education Panel*)  
Center Manager  
The Central Texas Technology Center (CTTC)  
Tuesday, April 17<sup>th</sup>, 2012

Mr. Ron Reaves (*Higher Education Panel*)  
Retired  
Superintendent New Braunfels Independent School District  
Tuesday, April 17<sup>th</sup>, 2012

Dr. Federico Zaragoza (*Higher Education Panel*)  
Vice Chancellor of Economic and Workforce Development  
Alamo Colleges  
Tuesday, April 17<sup>th</sup>, 2012

The Education Panel focused its discussion on informing the Committee of the "Math Boot Camp" available at Alamo Colleges. This program was designed to help support a variety of different college curriculums that require a foundation in applied mathematics. The CLARUS Corporation study provided a set of metrics for the Committee to consider moving forward (e.g. 35 percent of Comal County residents prefer local educational opportunities). The Panel referenced the Mayor's Higher Education Task Force and its current work on CTTC expansion and rebranding efforts. The panel noted that 25,000 square feet of additional space for labs and training facilities would cost roughly \$6.3 million. Howard Payne University's decision to open a satellite campus in New Braunfels was met with enthusiasm, but this expansion will not address all of the City's training needs. The discussion ended with a few questions regarding whether Comal County should become a part of the Alamo Colleges taxing district, which would reduce tuition costs for Comal County residents.

Dr. Brad Johnson  
Senior Vice President for Institutional Advancement  
Howard Payne University  
Tuesday, May 1<sup>st</sup>, 2012

Dr. Brad Johnson made it clear that Howard Payne University is making a long-term commitment to the City of New Braunfels and the educational offerings will include courses in computer information systems, nursing, engineering, and hospitality and tourism. It will take three years for Howard Payne to break ground on the new campus, but it will hold classes in the city at an alternate location in the meantime. This alternate location has not yet been decided upon.

Ms. Kandace Tornquist (*Affordable Housing Panel*)  
Executive Director  
Habitat for Humanity for Comal County  
Tuesday, May 1<sup>st</sup>, 2012

Mr. Mark Hampton (*Affordable Housing Panel*)  
Realtor  
Randall Morris & Assoc. Real Estate  
Tuesday, May 1<sup>st</sup>, 2012

Mr. Richard Maier (*Affordable Housing Panel*)  
Vice President  
DR Horton  
Tuesday, May 1<sup>st</sup>, 2012

The Affordable Housing Panel mentioned that affordability can be defined as 3.3 times total household income (e.g.  $3.3 * \$30,000$  household income = \$99,000 total home price). However, there is no housing stock currently available at that price in New Braunfels. Similar to the Investment Committee conversation about the regulatory environment, the cost of impact fees were discussed at length. One of the resource speakers indicated that 13 percent of the cost of building a home is due to regulatory fees and that inexpensive land or residential lots are hard to come by. There is an apartment boom in the State of Texas because potential home-owners are priced out of the market or do not qualify. Some communities have adopted an "affordability impact statement" to curb new regulations/fees. The panel also suggested the City review its current policies on street widths, roll-over curbs, 25 foot set-backs and institute zero-lot lines.

Ms. Becky Walker  
Director of Career & Technology Education  
Comal County Independent School District (ISD)  
Tuesday, May 1<sup>st</sup>, 2012

Ms. Stephanie Ferguson  
Director of Communications and Career and Technology Education  
New Braunfels Independent School District (ISD)  
Tuesday, May 1<sup>st</sup>, 2012

The Comal and New Braunfels Independent School District (ISD) presented on the current curriculum being taught to high school students. The Comal ISD identified certain classes that could be moved to the 8th-grade level to open up more elective space at the high-school level. There have been many attempts to place high-school interns at NB companies, but the companies were unwilling to pay the \$8.00 per hour wage. Some interesting facts include: 1,300 students out of 2,100 total students are

enrolled in career technology clusters, which include highly technical educational offerings.

Ms. Christine Douglas  
Executive Director  
Communities in Schools of South Central Texas, Inc.  
Tuesday, May 1<sup>st</sup>, 2012

The Communities in Schools (CIS) program is a 501c3 not-for-profit organization that works with underprivileged kids to help them remain academically inclined. CIS also visits the homes of students to follow up on counseling initiatives or help balance the children's school-life management skills. There is a volunteer mentoring program that includes after school programming to target at-risk youths. CIS uses real-time technology to set academic goals with students and follow-up on what action steps are required to achieve those goals. Further, the CIS counselors have even utilized the texting-sphere to communicate better with students. State of Texas funding for CIS has fallen in recent years and new fundraising programs have been established to fill the gap.

Mr. Jeff Jewell  
Development Coordinator  
City of New Braunfels  
Monday, May 14<sup>th</sup>, 2012

The City Development Coordinator, Jeff Jewell, presented a brief summary of the *New Braunfels's Comprehensive Plan*. In 1999, a large number of community stakeholders formed nine Committees to generate goals for the City leadership to achieve on multiple fronts (e.g. land use, recreation, housing, infrastructure, etc). In 2006, the City updated the plan internally to reflect changing priorities of the City. Mr. Jewell mentioned that one of the shortcomings of the plan is that it did not identify specific strategies, action items or even responsible parties to achieve these goals. Subsequently, the plan will be updated in the coming years and the economic development strategic planning process that is currently underway will inform that plan.

Mr. Tom Stellman (*NB Talent Project*)  
President/CEO  
TIP Strategies, Inc.  
Monday, May 14<sup>th</sup>, 2012

Mr. Tom Stellman, President and CEO of TIP Strategies, addressed talent recruitment and retention strategies. TIP Strategies completed a far-reaching research report that focused on talent recruitment and retention strategies for the City of New Braunfels in 2009. TIP Strategies sent a survey to 6,000 New Braunfels community stakeholders and received a response rate of approximately 30 percent. These survey responses were used to generate research findings specific to the City. These findings included:

- Retain the City's small town feel,
- Add new employment opportunities ,
- Refocus tourism brand to attract new talent from all walks of life,
- Target young professionals (YP),
- Engage volunteerism by creating an online clearing house for opportunities, and
- Reconnect with City residents that have left.

When asked about transportation and how it relates to economic development, Mr. Stellman mentioned the current multi-modal and inter-connected transportation infrastructure that many communities are starting to create. This includes walking, biking, car sharing, smart bus systems, light rail and others. Soft skills and certification training mechanism were also mentioned briefly and Mr. Stellman responded by indicating that community leaders need to be careful they do not train a workforce which leaves the community after completing training, noting that “return on investment” (ROI) calculations need to be considered. There was a short discussion on risk-aversion v. risk-tolerance, which brought the conversation full circle to what efforts can help New Braunfels manage its high growth rate while preserving its small-town feel. Mr. Stellman reiterated the fact that while talent has no age requirement, recruitment and retention efforts will be marketed differently according to age group.

Mr. Jeffrey Finkle  
President and CEO  
International Economic Development Council  
Friday, May 25<sup>th</sup>, 2012

The Committee first heard from resource speaker Natalie Rougeux, a local employment attorney in New Braunfels. She described some of her work with local employers who have trouble finding a skilled workforce. She mentioned that the Texas Workforce Commission provides resources to employers to help them meet state and federal requirements. She asked the Committee to be cognizant of the fact that employers need to be informed about changes in the regulatory environment and that the City and Chamber can play a role in this process.

The Committee discussion began with a review of what skills shortages exist in the community, indicating that both health care and manufacturing skills (e.g. CNC, tool & die, welding) were needed to support certain growth sectors. However, the Committee Chair pointed out that New Braunfels employers are rarely willing to take on interns. In an effort to bridge this gap between education and workforce initiatives, cities like Mansfield, Texas have dedicated resources to career and technology training. It was also noted that the Braunfels Foundation Trust is working on a scholarship program that may help address this issue.

The Committee discussed amenities and Jeff Jewell mentioned that there is a parks master plan in place, which led the Committee to discuss affordable housing as well as the shortage of workforce housing. Everything from planning and zoning to impact fees and density requirements was reviewed. The shortage of rental units and multi-family housing was also discussed. Before the meeting adjourned, each committee member was asked to indicate which strategy should be given the highest priority for further research and development, and alternatively, which strategy should be tabled to maximize the community’s economic development resources.

Ms. Raquel Favela  
Director  
National Development Council (NDC)  
Friday, June 15<sup>th</sup>, 2012

Ms. Raquel Favela, Director at the National Development Council (NDC), provided an overview of NDC’s work, which includes increasing the flow of capital to underserved communities for economic

opportunity, job creation, small business development, affordable housing, neighborhood revitalization and general community development. She focused specifically on affordable housing and provided a few examples to show how other communities undertook this effort. It is important to note that NDC is a 501c3 not-for-profit organization that works for public entities such as municipal and county governments.

NDC's Housing and Economic Development Corporation (HEDC) would act as developer, partnering with community and local sponsors, to provide expertise in financial structuring, identifying and securing public and private sector funding sources and providing technical support through the affordable housing project completion. HEDC's approach is two-fold in that it builds affordable housing, in addition to building the capacity within the community to undertake future development projects. Potential financing for affordable housing would come from NDC's Corporate Equity Fund, L.P. (CEF) equity capital for the construction and preservation of affordable housing using Federal Low Income Housing Tax Credits, Federal Historic Preservation Tax Credits and Renewable Energy Credits.

Jeff Jewell, City's Development Coordinator, mentioned that the City is working with HUD to perform a housing study. This study will help identify specific properties where affordable housing could be located and a developer (e.g. NDC) could be approached to start the regulatory process. During the breakout session the Committee discussed the following affordable housing strategies: 1) Suggest the city hire an expert in this field to provide guidance, 2) Designate 100 percent of CDBG funds locally toward development of affordable housing for a fixed number of years, 3) Lower city regulatory parameters and lower fees on housing under a certain level, 4) Develop neighborhood empowerment zones, 5) Appoint/create a Mayor's Task Force on Housing, and 6) Explore the Land Trust Program initiative.

IEDC Facilitated Committee Meeting  
Wednesday, June 27<sup>th</sup>, 2012

IEDC provided a SWOT Matrix for the Committee to review and asked for clarification on two items under the "Threats" category and one item under the "Strengths-Threats Strategies" category. The Committee then reviewed a draft set of goals, objectives and strategies provided by IEDC. The Committee discussed how to better phrase the first objective (i.e. using the term "attract" instead of "build," and "housing units" instead of "homes") to clarify the action items embedded in the statement. Strategies (4) and (5) were discussed and the Committee found better language to clarify the tasks they described as well.



## F. Data Supporting Goals, Objectives and Strategies

### Investment Committee

This report briefly summarizes how the *New Braunfels Comprehensive Plan* influenced the Investment Committee's work to develop succinct economic development strategies. This report references previous studies that have been completed on behalf of the subject and it includes summaries of subject-matter expert interviews that were held during the strategic planning process. The proposed goal, objective and strategies that will be proposed to the City Council on behalf of the Investment Committee are located at the end of the report.

#### Investment Work Currently Underway in New Braunfels: Plans & Reports Referenced

1. *New Braunfels Comprehensive Plan (2006)*
2. *Data Center Development White Paper (TIP Strategies) (2007)*
3. *New Braunfels Regional Airport (BAZ) Business Plan (2011)*
4. *Build NB Economic Development Marketing Strategy (2011)*

#### **New Braunfels Comprehensive Plan (2006)<sup>97</sup>**

The *New Braunfels Comprehensive Plan* is a guide for making decisions about the future growth and development of New Braunfels. The plan is made up of many elements, but the Investment Committee focused on two elements: 1) Land Use and Zoning and 2) Economic Development. Here are the specific Comprehensive Plan's goals and objectives that informed the Committee's work.

#### Land Use and Zoning

Goal 1: Promote manageable growth to achieve a proper balance of economic expansion and environmental quality while maintaining the community's unique qualities.

Objective F: Locate future industrial development in areas that are suitable and appropriate for industrial zoned property, such as those adjacent to existing industrial development and along railroad tracks.

Objective I: Industrial and commercial development should be planned and designed to avoid truck access through residential neighborhoods.

Goal 10: Prevent premature development in the City's peripheral areas by considering an adequate facilities ordinance whereas no development application is approved unless public facilities and services are available which are adequate to serve the development or will be provided as a condition of the application.

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<sup>97</sup> The City of New Braunfels Council and staff worked together to update the plan in 2006.

## Economic Development

Goal 34: Address community-wide economic development strategy in a coordinated, multifaceted effort.

Objectives A: Identify realistic and attainable objectives related to geographic sectors or corridors of the City, each of which presents unique opportunities and constraints for business and industrial activity.

- Downtown,
- I-35 Corridor,
- Walnut Corridor,
- Gruene,
- Airport Business Park,
- New Braunfels Industrial Parks, and
- Other target areas for economic development.

Objective B: Develop and provide an economic development portfolio of business development opportunities and supportive resources available for each sector or corridor. Disseminate the portfolios in printed and electronic media formats as information for attracting potential new or expanded industries and businesses to locate in New Braunfels.

Goal 35: Address community infrastructure improvement and expansion related to economic development.

Objective: D: Provide an adequate supply of appropriately zoned areas for future and existing business and industrial development and expansion.

Objective: E: Develop and promote New Braunfels Municipal Airport as the site for airport business and industrial development, including aviation-related and other business types.

Objective: F: Subdivision plats and proposed developments located within the airport environs should be reviewed for conformance with the New Braunfels Airport Master Plan to assure protection of airspace requirements and through ordinance powers, etc. Proposed right-of-way for runway extensions must be protected from private development.

Goal 37: To provide quality economic growth supportable by available human and natural resources.

Objective: A: Identify and plan for employers/industry that the community proactively seeks to attract.

Goal 38: Recruit, expand and retain primary industries that pay above average wages.

Objective: A: Encourage economic development organizations to target high-skill, high-income jobs as a priority for recruitment and incentives.

Objective: B: Support recruitment, retention and expansion efforts with sufficient funding to be competitive and successful.

Objective: C: Encourage continued use of sales tax funds for maximum effectiveness in economic development efforts.

Objective: D: Continue use of targeted and competitive incentives to increase quality of primary jobs in New Braunfels.

Objective: E: Provide adequate zoning of future development sites in appropriate locations for industrial development served by necessary utilities.

Objective: F: Provide financial assistance in the planning and development of industrial parks where appropriate via Type B funding.

### **Data Center Development White Paper (TIP Strategies) (2007)<sup>98</sup>**

TIP Strategies, Inc., an Austin-based economic development consulting firm, wrote a white paper that defined the process, partners and estimated costs of developing infrastructure for a data center on a specific site for the Greater New Braunfels Economic Development Foundation. This first center attracted would be a showcase site with the potential to lead to additional clients and relocations.

The key success factors for attracting a data center customer are: a low power rate with certified consistent supply, the availability of a shovel-ready site (i.e. more complete sites are more attractive to potential clients), a diverse fiber optic network and a stable, moderate environment/climate. The white paper concluded that the following four sites in New Braunfels should be considered for potential data centers.

- Koontz-McCombs Site: Located between 1-35 and the railroad tracks at 2553 Goodwin Lane (north of New Braunfels), this 55-acre site was originally planned as a warehouse and distribution center.
- TXGLO/Permanent School Fund Site: Located near the Koontz-McCombs site between 1-35 and the railroad tracks, this site is part of a master-planned multi-use development project being proposed by TXGLO.
- FM 1044 Site: Located south of FM 1044 and straddling Green Valley Road east of 1-35, this location has the unique benefit of being served by both NBU and Guadalupe Valley Electric Cooperative (GVEC).
- Weston Site: The report concluded that there are more productive uses for this land, and that the property is too rural to appeal to prospective data center clients.

New Braunfels was the finalist for a major data center a few years ago, but lost out due to a sharp rise in price of land and limited availability. This led to the multiyear discussion on land banking initiatives, which is still a topic of discussion among the City and Chamber today. The white paper also identified the top sites in the community for data center use, for which the Chamber has used targeted marketing efforts.

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<sup>98</sup> The Data Center Development White Paper (Prepared for the Greater New Braunfels Chamber of Commerce).

### **New Braunfels Regional Airport (BAZ) Business Plan (August, 2011)<sup>99</sup>**

The business plan for the New Braunfels Regional Airport (BAZ) assessed potential means to improve the airport's financial performance, economic development and operation. The business plan evaluated a number of potential operational and developmental scenarios and provided the City of New Braunfels with decision-making information. Specifically, it reviewed the following components: the potential growth in operations, its competitive setting in the Austin-San Antonio Corridor, the highest and best use of airport property, the benefits and costs of attracting corporate aviation, protection of airport approaches for safety and noise in the vicinity of the airport, the potential for hangar development, the optimum development of the airport's south side and a number of other facility-related issues.

The airport is located on more than 800 acres of level land. The west side of the field offers over 200 acres of contiguous property ideally suited to aviation and non-aviation (aviation friendly) development. As currently situated, the airport is the property of the City of New Braunfels, but is bordered (approximately 75 percent) by land areas under the jurisdiction of Guadalupe County. The City has been acquiring land essential to protecting runway safety areas for potential expansion of the runway system to the northwest.

The business plan concluded that the economic development efforts should encourage growth of aviation-dependent businesses. Another key to the growth of overall revenues is the presence of specialty engine repair, aircraft manufacturing or other similar types of operations. Attracting other potential aviation-dependent businesses can bring immediate and long term economic benefits to both the airport and the City of New Braunfels-at-large. Also noted in the *New Braunfels Regional Airport (BAZ) Business Plan* is that all of these current sites have better access to Interstate 35 than does the airport, and subsequently, may fill up quicker. It concluded that absorption rates for industrial property all across the nation have slowed down as a result of the current recession. In New Braunfels, it is estimated that the demand for industrial property (or the absorption rate) averages between 10 and 20 acres per year. Although demand may pick up once the recession is over, the current outlook indicates that New Braunfels has an approximate 6 to 12 year supply of industrial property, not including the airport land.

The plan also concluded that there is a great deal of potential for "non-aeronautical land use development." The airport has roughly 250 acres that can be developed for non-aeronautical purposes. This land has utility access, but will likely require better surface access prior to its development. This factor, combined with the ready availability of development areas closer to I-35 would indicate that the airport property can be considered a longer range development project. In particular, the completion of FM 306 to the airport will create the best opportunity for development of this property at the airport.

It is important to note that the plan indicated the need to proactively "control the land surrounding the airport." To protect the future viability of the airport, consideration should be given to land use controls on parcels adjacent to the airport. Although this is not specifically a revenue enhancement initiative, it will help to preserve the business base of operations at the airport. In this regard, the airport is not currently protected from adjacent incompatible development that may occur due to the lack of zoning controls in Texas counties.

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<sup>99</sup> The New Braunfels Regional Airport (BAZ) Business Plan, (2011).

## **Build NB Economic Development Marketing Strategy<sup>100</sup> (2011)**

The economic development mission of the *Build NB* team is to target, attract and provide strategic counsel to identified business prospects with the goal of creating high-wage jobs, community wealth and overall better quality of place. The following is a summarized list of selected goals and objectives as outlined in the marketing strategy.

*Recruit, expand and retain targeted primary industries that pay above-average wages.*

- Priority for incentives will be given to those companies that pay above the average county wage or above the targeted primary industry primary wage. Priority will also be given to those companies that produce non-commodities that are not labor intensive but promote sustainable communities.
- The current business retention and expansion program includes a support role in the New Braunfels Manufacturing Association as well as one-on-one networking. Global competition has increased the need for a larger BRE program to reduce the risk of local companies being attracted to other locations. By FY 2012, a larger presence will be initiated starting with a survey, a brochure explaining benefits, tracking monthly visits, a launch breakfast and a possible CEO roundtable.
- A customer resource management (CRM) tool has been selected to manage prospects and leads into an easy-to-use database. Buildnbcrm.com has been in operation for approximately one year and has proven to be an effective tool.
- Prospect lists have been purchased from Dun & Bradstreet and updated information is delivered on a quarterly basis. D&B explains the most effective ways to tailor the data for specific results.

*Address community infrastructure improvement and expansion related to economic development*

- Expand roads off I-35 and east toward the New Braunfels Municipal Airport. In turn, the access will help improve aviation-related growth and development outlined in the new airport master plan. *Buildnb.org* will travel to aviation-related shows to promote the airport and attract business.
- Expansion of Central Texas Technology Center and other higher educational needs in the community.
- Koontz McCombs plans to construct a 100,000 square-foot warehouse and distribution speculative building off of FM 306 in FY 2011.
- Baptist Health Systems will begin construction of a new hospital in early FY 2011.

*Build NB* has indicated the following industry targets (*Economic Development Marketing Strategy* report – Fiscal Years 2011 – 2012):

- Aviation-Related Activities
- Healthcare and Related Medical Technologies
- Data Centers
- Logistics/Distribution

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<sup>100</sup> Build NB Economic Development Marketing Strategy, (2011).

- Telecom/Information
- Specialty Foods
- Automotive Suppliers
- Music Industry

**Information & Relevant Data Gathered through Committee Meetings:**

New Braunfels is part of the “Team Texas campaign,” which represents close to 75 Texas communities that are marketed by way of international conferences and directly to site consultants. The Table below indicates the number of leads from the State ED Agency (TOEDT), number of mission trips, and the number of contacts from tradeshows and mission trips that the Chamber has documented in FY 2010, FY2011, Q1 2012 and Q2 2012.

	FY 2010	Q3 2011 April 15-July	Q4 2011 July 15 - Oct	FY 2011	Q1 2012 Oct 16-Jan	Q2 2012 Jan 15 - April
Leads*	2010	15	15	2011	15	15
TOEDT*	21	6	5	16	3	2
Mission Trips (number of)	22	10	11	38	8	7
<u>Tradeshows/Mission Trip</u>						
<u>Contacts</u>	<u>784</u>	<u>790</u>	<u>57</u>	<u>3,028</u>	<u>99</u>	<u>315</u>
Total	827	806	73	3,082	110	324

The Committee asked how the Chamber’s recruitment strategy has changed overtime and it answered that it focuses its efforts on high-wage jobs, quick response times to prospects, and that it is always learning from its competition. The economic development weaknesses mentioned include: lack of rail access, available high-ceiling sites/properties, and the inability to work regionally with San Antonio. The strengths mentioned include: location between two large cities, Type B Economic Development Incentives, and the economic development delivery system (i.e. Chamber and the City working together). It is important to note that the Chamber presents quarterly reports to the NBIDC board and both semi-annual and annual reports to the City Council on behalf of its work. The table below represents the source and the number of economic development leads/prospects from FY 2010 to the second quarter of 2012.

	FY 2010	Q3 2011 April 15-July 15	Q4 2011 July 15 - Oct 15	FY 2011	Q1 2012 Oct 16-Jan 15	Q2 2012 Jan 15 - April 15
Leads*						
Walk-Ins	90	17	19	61	13	19
TOEDT*	21	6	5	16	3	2
Mission Trips (number of)	22	10	11	38	8	7
Tradeshows/Mission Trip Contacts	784	790	57	3,028	99	315
Carry-overs	7	21	19	82	13	12
Automotive Promo	6	1	0	4	0	0
Medical Device	-	3	8	16	2	0
Total	930	848	119	3,245	138	356
Web based exposure*	-					
NB Prospector visits**	98,660	27,197	34,391	121,484	27,552	820
Zoom Prospector	256	1	0	43	0	0

Economic Dev. Directory	1,117	248	271	1,068	269	163
Automotive Promo	79	4	7	33	7	3
LiveChat			32	144	21	35
10/35 Economic Development web (only those directed to <i>Build NB</i> site)						11
<i>Build NB</i>	20,097	5236	4,642	20,540	3374	5592
Misc. Advertising/Social Media		539	650	1,202	505	344
<b>Total</b>	<b>120,209</b>	<b>33,225</b>	<b>39,993</b>	<b>144,514</b>	<b>31,728</b>	<b>6,695</b>

\* Numbers are a projection, March 15-April 15 numbers calculated by adding Jan-March numbers, divide by two and add to total.

\*\* Before upgrade, the stat counter system counted each time the whole page loaded. The New upgrade allows for a portion of the page to be reloaded without loading the whole page. GIS is working on the system to capture this data but for now it represents actual users/page viewers.

The number of leads and prospects indicate the level of demand from potential business relocations and expansions. Further, most large business relocations and expansions contact the State of Texas first, which is represented above by the label "TOEDT." The Chamber keeps records on TOEDT economic development prospect/lead requests, and in particular, the Chamber records why New Braunfels does not meet the key requirements to locate the business in the city. The common requirements that deter business relocation and expansions in New Braunfels are the lack of rail service and port access. However, in the last five years, of the roughly eighty TOEDT prospects/leads, over 60 percent were potential manufacturing firms who required an industrial site with high ceilings (30 feet).

#### **New Braunfels Prospector (Available Industrial Sites)<sup>101</sup>**

There are currently 13 industrial development sites listed on the New Braunfels Prospector website. Of the 13 sites, only six had over 15,000 square feet available. Following is the list of the available large industrial sites in New Braunfels through the newbraunfelsprospector.com real estate database.

Site Name: <a href="#">10101 FM 1102</a> (Located Eight Miles North of New Braunfels)	
<b>Address:</b> 10101 FM 1102	<b>Type:</b> Warehouse/Distribution
<b>City:</b> New Braunfels	<b>Min Size:</b> 17,496 sq ft
<b>County:</b> Comal County	<b>Max Size:</b> 34,383 sq ft
<b>Zip Code:</b> 78130	

Site Name: <a href="#">7850 Old Bastrop Rd</a> (North of New Braunfels – Limited Ceiling Height)	
<b>Address:</b> 7850 Old Bastrop Rd	<b>Type:</b> Warehouse/Distribution
<b>City:</b> New Braunfels	<b>Min Size:</b> 15,000 sq ft
<b>County:</b> Comal County	<b>Max Size:</b> 50,000 sq ft
<b>Zip Code:</b> 78132	

<sup>101</sup> Accessed: May, 2012 : <http://www.newbraunfelsprospector.com>.

Site Name: <a href="#">1851 S Seguin Ave</a> (Former Textile Mill – Concrete Building)	
<b>Address:</b> 1851 S Seguin Ave	<b>Type:</b> Industrial
<b>City:</b> New Braunfels	<b>Min Size:</b> 100,000 sq ft
<b>County:</b> Comal County	<b>Max Size:</b> 219,185 sq ft
<b>Zip Code:</b> 78130	

Site Name: <a href="#">451 FM 306</a> (ONLY DRAWINGS – NOT AN ACTUAL FACILITY)	
<b>Address:</b> 451 FM 306	<b>Type:</b> Industrial
<b>City:</b> New Braunfels	<b>Min Size:</b> 10,000 sq ft
<b>County:</b> Comal County	<b>Max Size:</b> 380,000 sq ft
<b>Zip Code:</b> 78130	

Site Name: <a href="#">2553 Goodwin Ln</a> (ONLY DRAWINGS – NOT AN ACTUAL FACILITY)	
<b>Address:</b> 2553 Goodwin Ln	<b>Type:</b> Warehouse/Distribution
<b>City:</b> New Braunfels	<b>Min Size:</b> 88,000 sq ft
<b>County:</b> Comal County	<b>Max Size:</b> 2,395,800 sq ft
<b>Zip Code:</b> 78130	

The first two sites are located north of New Braunfels. The third site previously housed a textile mill and it is a concrete building built close to forty years ago with limited ceiling height. The fourth and fifth site listed are not actual sites, but just drawings of what a developer could possibly build on the site.

On June 15<sup>th</sup>, 2012 Michael Meek gave a presentation on the reasons for a proactive approach to identifying and acquiring strategic commercial-industrial land sites for economic development purposes. Mr. Meek provided a handout that included a presentation he made to City Council last September (2011), which described the following: the average building sizes and land acreage sizes from referrals via the Governor’s Office the last 2+ years, existing commercial and industrial buildings currently, and a spreadsheet on all referrals since 2009.

Mr. Meek mentioned that the Greater New Braunfels Industrial Development Board has considered purchasing a targeted site for economic development and that it is currently giving consideration to the issue again. This is a very important part of the discussion since the Investment Committee decided that addressing the site and facility shortage for business recruitment and expansion was the primary goal-need to consider.



## The Historic Occupancy Rates in NB<sup>102</sup>

Summary/City	# Bldgs	Total Bldg SF	Direct Avl SF	Sublease Avl SF	Total Avl SF	Total Avl %	Direct Vac SF	Direct Vac %	Sublease Vac SF	Total Vac SF	Total Vac %	Direct Asking Rate
New Braunfels	32	253,392	15,807	4,393	20,200	8.0%	15,807	6.2%	0	15,807	6.2%	\$16.76
Ofc TOTAL:	32	253,392	15,807	4,393	20,200	8.0%	15,807	6.2%		15,807	6.2%	\$16.76

Summary/City	# Bldgs	Total Bldg SF	Direct Avl SF	Sublease Avl SF	Total Avl SF	Total Avl %	Direct Vac SF	Direct Vac %	Sublease Vac SF	Total Vac SF	Total Vac %	Direct Asking Rate
New Braunfels	37	2,053,313	817,989		817,989	39.8%	799,301	38.9%		799,301	38.9%	\$4.65
Ind TOTAL:	37	2,053,313	817,989		817,989	39.8%	799,301	38.9%		799,301	38.9%	\$4.65

Please note that the high vacancy rate can be attributed to the Owens Corning building (215,000 square feet) and the Mission Valley Mills building (480,000 square feet), both of which are old textile mills.

To support the Investment Committee's decision to secure suitable building space to attract and retain primary employers in New Braunfels consistent with the community's identified target industries, IEDC reviewed the historical commercial occupancy rates in New Braunfels from 2008-2011. Using data accessed through NAI REOC San Antonio, which leases and/or manages more than 6.5 million square feet of commercial property in the region, IEDC concluded that New Braunfels could proactively support approximately 350,000 square feet of commercial occupancy space by the end of 2016.<sup>103</sup> The Table below identifies projected occupied square feet of commercial space from 2012-2016.

Average Percentage Increase of Direct Occupancy Rate based on 2008-2011 rates	Direct Occupied SF in New Braunfels (2011)	Projected Occupied SF (5.60%) * (2011 Direct Occupied SF)	Projected Occupied SF (5.60%) * (2012 Direct Occupied SF)	Projected Occupied SF (5.60%) * (2013 Direct Occupied SF)	Projected Occupied SF (5.60%) * (2014 Direct Occupied SF)	Projected Occupied SF (5.60%) * (2015 Direct Occupied SF)	Projected SF Growth in New Braunfels from 2012-2016
Year		2012	2013	2014	2015	2016	
5.60%	1,443,111	1,523,944	1,609,305	1,699,446	1,794,638	1,895,161	<b>371,217</b>

<sup>102</sup> NAI ROEC: <http://www.reocpartners.com>.

<sup>103</sup> Accessed July, 2012: <http://www.reocpartners.com>.

## Entrepreneurial and Small Business Development Committee

This report summarizes the entrepreneurial and small business development services currently available in the City of New Braunfels. Specifically, it references previous studies that have been completed on behalf of the subject and includes summaries of subject-matter expert interviews held during the strategic planning process. The proposed goals, objectives and strategies that will be proposed to the City Council on behalf of the Entrepreneurial and Small Business Development Committee are located at the end of the report.

### Entrepreneurial and Small Business Development Work Currently Underway in New Braunfels: Plans & Reports Referenced

1. Center for Entrepreneurship Plan – University of Texas at San Antonio (UTSA) Small Business Development Center (May, 2012)
2. New Braunfels Talent Project (June, 2009)

### Center for Entrepreneurship Plan – UTSA SBDC (May, 2012)<sup>104</sup>

The New Braunfels Center for Entrepreneurship is a 501c3 not-for-profit corporation created through a partnership between the City of New Braunfels, the Greater New Braunfels Chamber of Commerce, the Alamo Community College District, Comal ISD and New Braunfels ISD. Currently, the University of Texas at San Antonio Small Business Development Center (SBDC) operates a satellite office located within the Center for Entrepreneurship, which is located in the central business district at 800 West San Antonio Street New Braunfels, Texas 78130. The total fiscal year operating cost for the SBDC is estimated to be \$168,587, which is broken down into the following categories:

- Sponsored Program Agreement with UTSA to operate the SBDC Satellite Office \$142,187, and
- Rent and Utilities for Satellite Office located in New Braunfels \$26,400.

The SBDC produced the following outputs and outcomes in fiscal year 2012 and has proposed to keep its current staffing levels to continue meeting these outputs and outcomes in 2013.

**SBDC Outputs (2011-2012)**

	FY 2012	FY 2013 CURRENT STAFFING
Advising Clients	208	208
Training Clients	120	120
<b>Total Clients</b>	<b>328</b>	<b>328</b>
Advising Hours	1,655	1,655
Training Events	8	8

**SBDC Outcomes (2011-2012)**

	FY 2012	FY 2013 CURRENT STAFFING
Business Starts	15	15
Business Expansions	15	15
<b>Total</b>	<b>30</b>	<b>30</b>
Jobs Created	86	86
Jobs Retained	57	57
<b>Total</b>	<b>143</b>	<b>143</b>
Capital Infusion	\$ 1,882,250	\$ 1,882,250

<sup>104</sup> Business Plans and UTSA Sponsored Project Agreements. Current Staffing and Additional Business Advisor Scenarios. Fiscal Year 2013 October 1, 2012 – September 30, 2013. Satellite Office Small Business Development Center. Institute for Economic Development. The University of Texas at San Antonio. (Prepared by Morrison Woods, Director, UTSA SBDC).

### **New Braunfels Talent Project (June 2009)<sup>105</sup>**

TIP Strategies, an Austin-based business and economic development consulting firm, conducted a data-driven analysis of New Braunfels's efforts to meet future employment demands of an aging workforce in order to create an environment that is conducive to attracting and retaining a talented workforce. TIP Strategies' report focused on six specific implementation strategies to ensure talent attraction and retention is an important part of any community's economic development strategy. Here are the six implementation strategies.

1. Continue to improve access to higher education and professional training opportunities
2. Leverage tourism marketing for talent attraction
3. Establish a Young Professionals (YPO) Organization to offer more opportunities for these individuals to network and interact
4. Create a Mayor's Young Talent Advisory Council
5. Develop an online clearinghouse for volunteer opportunities in the community
6. Re-establish ties to former residents

The report did not mention entrepreneurial and small business development specifically, but these implementation strategies lend to the building of a robust entrepreneurial ecosystem. The following strategies are currently underway in New Braunfels.

- *Continue to improve access to higher education and professional training opportunities*

Howard Payne University announced that it will be opening a satellite campus in New Braunfels, thereby expanding its operations into the Word-Borchers development, which is a planned community built on mixed-use development principals. Construction for the Howard Payne campus in New Braunfels will likely break ground in 2015, but it will hold classes in the city at an alternate location in New Braunfels in the meantime.

- *Establish a Young Professionals (YPO) Organization to offer more opportunities for these individuals to network and interact*

Under the leadership of the Greater New Braunfels Chamber of Commerce, a Young Professionals Organization was established in 2011 and is beginning to organize a website, assign leadership positions and communicate with its members through: <http://www.nbypo.com/>.

### **Information & Relevant Data Gathered through Committee Meetings:**

The SBDC advised the Center for Entrepreneurship Board of Directors to focus on the following business sectors to produce high growth in employment in both Comal and Guadeloupe counties.

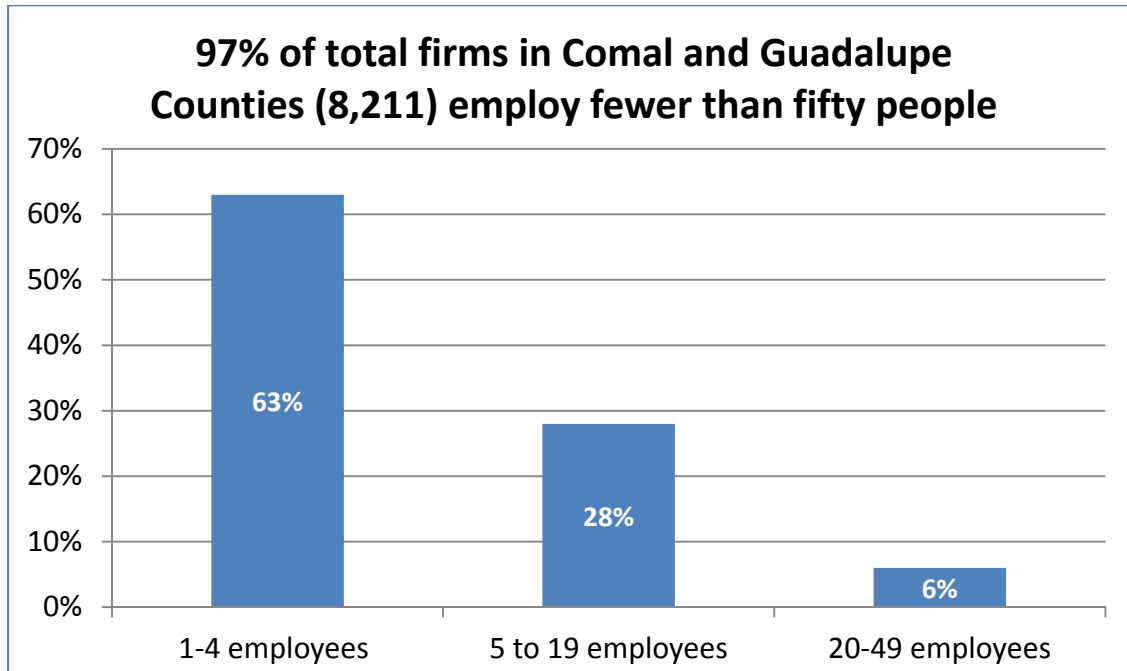
- Health and Wellness
- Food Services
- Wholesale Trade
- Information Services

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<sup>105</sup> New Braunfels Talent Project. Prepared by TIP Strategies, (2009).

- Aerospace and Defense
- Educational Services

Moreover, based on Reference USA data from March 29, 2011, Mr. Morrison Woods mentioned that there are 8,211 companies located in Comal and Guadalupe Counties. Approximately 97 percent of firms in the two-county area employ fewer than 50 people. The graph below indicates the percentages of small firms that employ 1-4 people, 5-19 people and 20-49 people.



The Hispanic population in Comal and Guadalupe Counties grew by 57 percent from 2000 to 2010. The Hispanic population comprises 31 percent of the population in these two counties and is projected to grow. The UTSA Institute for Economic Development houses the Minority Business Development Agency Business Center (MBC) which focuses its assistance on minority-owned firms that have annual revenues in excess of \$1 million. The SBDC and MBC have Business Advisors that are bilingual in Spanish and these services can be obtained by New Braunfels residents through the SBDC.

The SBDC staff networks extensively in the community with chambers of commerce, economic development corporations, financial institutions and other business organizations to obtain referrals. Promotional materials were developed for distribution and a web link was created on the UTSA SBDC website for the satellite center serving Comal and Guadalupe counties. Some of the concerns that the SBDC hears on a regular basis that stifle job creation are: trouble finding qualified employees, access to capital, and the permitting and regulatory environment in some cities. At the end of the discussion, Mr. Woods cited the following reasons that business expansions fail: 1) Business owners unwilling to take risks in today's market, and 2) Potential business owners who do not have the credit worthiness for a loan.

Based on the SBDC reports and Ms. Miller's counseling sessions with clients seeking capital in New Braunfels, Seguin and Schertz, approximately 20 percent of the clients are seeking \$10 thousand - \$100

thousand loans, which is approximately fifty-eight of the total 290 clients she met with in the past six months. It is important to note that the SBDC office opened in October 2011, and it is currently researching the service area and its service numbers are continuing to grow.

Ms. Miller also mentioned that many of the SBDC's clients are seeking business services on a broader basis such as website and social media services, government contracting, business planning and financial analysis. While capital needs are not always the reason clients come to the Center, Ms. Miller is fairly confident demand would increase with increased availability of capital. In sum, Ms. Miller noted that business startup and expansion is contingent upon the business industry and the credit and capacity of the business owner, as well as the business itself, the loan structure (pricing and terms of the loan) and the economy has an overarching factor.

This credit union panel reiterated the fact that money is available to lend, but there are few borrowers that meet the core requirements for a loan. The Randolph Brooks Credit Union has an SBA portfolio of \$25 million and is looking to expand these services to car dealerships, medical facilities and restaurants. It was also noted that Peoplefund (Austin, Texas) and Accion Texas (San Antonio, Texas) are micro-lenders that do some work in the region. Both panel members acknowledged that the high-technology and high-risk small business start-up referral system (e.g. character loans and angel capital) is weak and that they do not currently participate in business plan competitions.

Both credit union representatives see a good number of micro-loan requests each week. Specifically, the Randolph Brooks Federal Credit Union typically sees an average of about ten requests each week for a small SBA loan. Randolph Brooks Federal Credit Union also provides conventional lines of credit and business Mastercards. The approval criteria are the same as an SBA loan but without some additional paperwork. Randolph Brooks Federal Credit Union processes 20-30 small conventional business loans weekly on average. If they are unable to approve a request the credit union will refer folks to the Small Business Development Center and or Accion of Texas, which is a non-depository micro-lender.

### **Comal County Hispanic Council**

Established in June 2010, Comal County Hispanic Council is a 501c3 organization composed of citizens-at-large to help support our growing Hispanic population and address issues in the community. CCHC focuses on community awareness and provides resources to support the Hispanic community. Committee members Domingo Medina and Rose Zamora mentioned that the Council's work is guided by the fact that by 2030, if projections hold, over 50 percent of the Latino population will be under 24 years of age. Correspondingly, at least one out of every two workers entering the U.S. labor force will be of Hispanic descent by 2025.<sup>106</sup>

### **Chamber of Commerce**

The Chamber reviewed Hoover's<sup>107</sup> data in June, 2012 and gathered from the data that New Braunfels has 118 companies with 50 or more employees (i.e. the Chamber's definition of a small business is 50 or fewer employees, in contrast to SBA's definition that states small businesses have fewer than 500 employees). Although, businesses with 50 or more employees (i.e. large businesses) make up a mere 2.6 percent of the total number of companies in the metropolitan area/city (4,500+), they employ a total of 15,457 employees, or 61 percent, of the total market (25,000).

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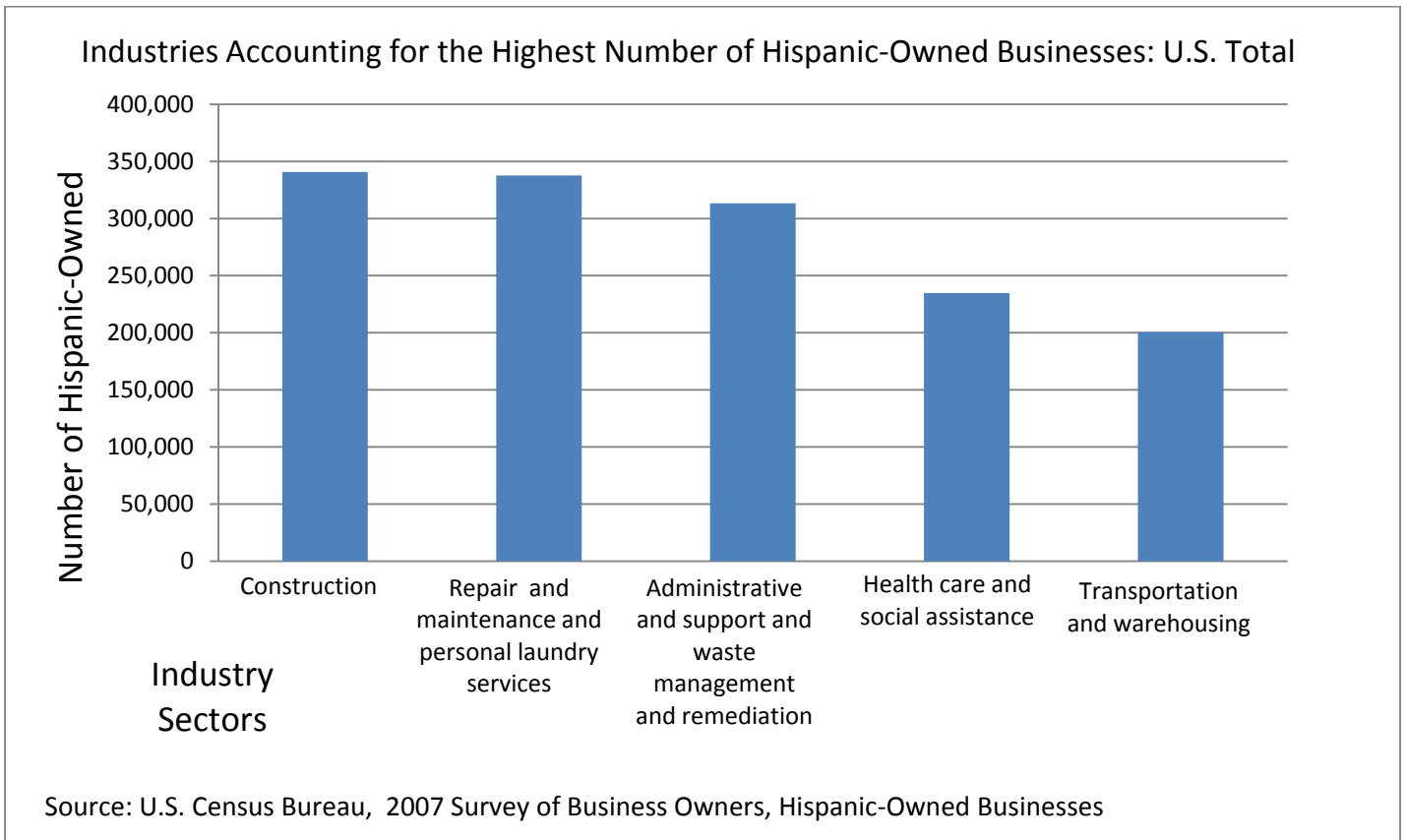
<sup>106</sup> Accessed June, 2012: [http://www.chci.org/education\\_center](http://www.chci.org/education_center).

<sup>107</sup> Accessed June, 2012: <http://www.hoovers.com>.

### Census Data on Business Ownership<sup>108</sup>

National, County and City data on business ownership rates was collected and reviewed to better inform the economic development goals, objectives and strategies being considered. Graph (1) indicates the industries which account for the highest number of Hispanic-owned businesses in the United States.

Graph (1): U.S. Census 2007 Survey of Business Owners<sup>109</sup>



The table on the next page indicates the number of firms with or without paid employees in New Braunfels, along with various sales, employment and payroll data by ethnicity code.

<sup>108</sup> Accessed June, 2012: <http://www.census.gov/econ/sbo/index.html>.

<sup>109</sup> Ibid.

estimated 11 percent (i.e. 700/6,117) of all firms in the city are owned by Hispanics (as indicated in Table 1). The Committee noted this reality in March 2012 and its economic development recommendations have the potential to improve this misalignment.

Table (1): U.S. Census 2007 Survey of Business Owners<sup>110</sup>

	Ethnicity Code	Number of firms with or without paid employees	Sales, receipts, or value of shipments of firms with or without paid employees (\$1,000)	Number of firms with paid employees	Sales, receipts, or value of shipments of firms with paid employees (\$1,000)	Number of paid employees for pay period including March 12	Annual payroll (\$1,000)	Number of firms without paid employees	Sales, receipts, or value of shipments of firms without paid employees (\$1,000)
Comal County	All Firms	12,349	7,195,790	2,388	6,703,708	36,495	1,206,325	9,961	492,081
Comal County	Hispanic	1,272	118,016	97	70,748	635	13,063	1,175	47,268
New Braunfels	All Firms	6,117	4,399,883	1,528	4,150,041	23,172	737,107	4,589	249,842
New Braunfels	Hispanic	700	58,311	S <sup>111</sup>	S	S	S	640	20,296

<sup>110</sup> Accessed June, 2012. <http://www.census.gov/econ/sbo/index.html>

## Services Committee

This report briefly summarizes how the *New Braunfels Comprehensive Plan* influenced the Services Committee's work to develop succinct economic development strategies. This report references previous studies that have been completed on behalf of the subject and includes summaries of subject-matter expert interviews that were held during the strategic planning process. The proposed goal, objective and strategies to be proposed to the City Council on behalf of the Services Committee are located at the end of the report.

### Investment Work Currently Underway in New Braunfels: Plans & Reports Referenced

1. *New Braunfels Comprehensive Plan (2006)*
2. *The Impact of Tourism in Comal County Report (2007)*
3. *The Economic Impact of New Braunfels's Hospitality Industry (2009)*
4. *New Braunfels Amateur Sports Report (2010)*
5. *Feasibility Study of a Potential New Braunfels Sports/Recreation Center (2012)*
6. *Mission Verde: San Antonio Sustainability Initiatives (2012)*

### New Braunfels Comprehensive Plan (2006)<sup>112</sup>

The *New Braunfels Comprehensive Plan* is a guide for making decisions about the future growth and development of New Braunfels. The plan is composed of many elements, but the Services Committee focused on the following specific elements: Land Use and Zoning, Water Resources, Drainage and Flood Damage Prevention, Economic Development, Utilities, Environmental Protection, Historic Preservation and Parks and Recreation. Here are the Comprehensive Plan's goals and objectives which informed the Committee's work.

#### Land Use and Zoning

Goal 1: Promote manageable growth to achieve a proper balance of economic expansion and environmental quality while maintaining the community's unique qualities.

Objective A: Evaluate proposed zone changes to maintain land use compatibility, as well as the integration of mixed land uses as a component of achieving better places to live.

Objective K: Provide for streets and streetscapes that serve pedestrian, bicyclists, and automobiles.

Goal 3: Encourage innovative and flexible design patterns, such as cluster development.

Objective A: Encourage designs that provide for the preservation and protection of open space and natural resources and minimize disturbance of native vegetation.

Goal 13: Maintain and enhance the green appearance of New Braunfels.

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<sup>112</sup> The New Braunfels Comprehensive Plan, (2006).



Objective A: Encourage environmentally sensitive development.

Objective B: The subdivision review process should include consideration of environmental sensitivity to site grading, storm drainage, building location and orientation, and parking lot configuration.

Objective C: Promote xeriscape landscaping through incentive programs.

#### Water Resources, Drainage and Flood Damage Prevention

Goal 30: Provide stewardship for natural water resources including both Comal Springs and the Comal River as well as the Guadalupe River.

Goal 32: Protect groundwater and surface water sources and prevent pollution in natural drainage channels and structures, i.e. (Comal Creek, Blieders Creek, Alligator Creek, Comal River, Guadalupe River, Edwards Aquifer and Trinity Aquifer).

Objective A: Develop program to protect the Edwards Aquifer from contamination from non-point source pollution.

Objective B: Establish protection against storm water runoff pollution.

#### Economic Development

Goal 35: Address community infrastructure improvement and expansion related to economic development.

Objective A: Keep the availability of infrastructure and utilities at competitive rates and maintain favorable expansion policies as important attractants for business and industry.

Goal 41: Continue working with tourism-based organizations to promote the City as a place to meet, visit and vacation.

Goal 43: Promote heritage tourism.

Goal 44: Work to attract recreational facilities for tourists that may also address the City's lack of year-round family entertainment.

#### Utilities

Goal 45: Coordinate the provision of utilities with New Braunfels Utilities (NBU) and other public utilities in a timely and efficient manner to help guide development and adequately serve the demands of a growing city.

#### Environmental Protection

Goal 52: Safeguard natural resources through acquisition, preservation and eco-friendly planning.

Goal 53: Reduce and control air pollution.

Goal 54: Reduce and control river pollution.

#### Historic Preservation

Goal 64: Assure positive impact of development and growth on the heritage of New Braunfels.

Goal 65: Increase historic preservation efforts in New Braunfels.

#### Parks and Recreation

Goal 79: Provide first class recreation and athletic facilities and programs for citizens.

Objective A: Create a recreation center to serve residents of all ages and abilities.

Objective B: Renovate/construct athletic facilities for tournament and league play such as a sports complex or recreation center.

Objective D: Provide recreation programs and community events for residents and visitors.

Objective E: Promote revenue-generating opportunities where appropriate in order to decrease financial dependency on the general fund.

#### **The Impact of Tourism in Comal County Report (2007)<sup>113</sup>**

The consultants (TXP, Inc. of Austin, Texas) used an input-output analysis of new economic activity to identify the economic impact of Comal County travel and tourism in 2006. The report stated that the tangible value of travel and tourism to Comal County and New Braunfels is an important part of local and regional job growth. Economic activity attributable to the “importing” of external dollars into the community in the form of spending by non-Comal residents supports thousands of jobs and provides millions of dollars in earnings for local residents each year. The City and County also benefit, as tax revenues attributable to the impact of travel and tourism approach \$5 million annually. Here is a summary table that describes the output, value-added, earnings and jobs associated with the industry.

**Table 2 - Total Economic Impact of Comal County Travel & Tourism (2006)**

	<b>Output</b>	<b>Value-Added</b>	<b>Earnings</b>	<b>Jobs</b>
Total Travel & Tourism	\$273,129,518	\$160,644,428	\$64,087,461	2,773
- River Tourism	\$34,303,638	\$19,188,777	\$8,301,889	387
- Other Tourism	\$238,825,880	\$141,455,651	\$55,785,572	2,386

**Source: TXP**

<sup>113</sup> The Impact of Tourism in Comal County Report, (2007).

The New Braunfels Convention and Visitors Bureau (CVB) used this report to identify what marketing and promotional strategies and initiatives could maintain a robust travel and tourism sector. This report also helped the City in its policymaking on river issues and in funding the recent completed cultural heritage project. The Greater New Braunfels Economic Development Foundation followed up with a more recent report, *The Economic Impact of New Braunfels's Hospitality Industry (2009)*, by Impact Data Source, which was funded to build on the findings of Comal County's assessment.

### **The Economic Impact of New Braunfels's Hospitality Industry (2009)<sup>114</sup>**

The Greater New Braunfels Economic Development Foundation (EDF) sponsored a study on the economic impact of the hospitality industry in New Braunfels. The hospitality industry was defined in this report as "businesses in industries that derive significant earnings from tourists or out-of-town visitors." Travel accommodations from hotels, motels, bed and breakfasts, and campgrounds are included as well as water recreation and river outfitters and restaurants. The primary source of data used to estimate the hospitality industry's economic impact was the 2009 state sales tax allocation for the City of New Braunfels.

Below is a list of the core findings in the report:

- The hospitality industry's impact during 2009 was \$469.6 million or approximately 20 percent of the total economic activity in New Braunfels.
- The hospitality industry is responsible for more than \$121.8 million in wages to full-time and part-time employees each year.
- The businesses that make up the hospitality industry support more than 6,979 jobs. This represents 27 percent of total employment in New Braunfels.
- The hospitality industry has shown solid growth over the period with total economic output rising 27 percent over the five-year period (2005-2009) at an annual growth rate of more than 6 percent.
- Workers' earnings in the hospitality industry grew 37 percent since 2005 and employment increased 32 percent during the same five-year period (2005-2009).
- The fiscal impact of the hospitality industry is significant, contributing more than \$12.8 million in taxes and fees each year to the City of New Braunfels. This represents nearly 19 percent of total city revenue received during the year.

The New Braunfels Convention and Visitors Bureau (CVB) used this report to generate targeted marketing and promotional strategies and initiatives to maintain a robust travel and tourism sector. Also, this report influenced the decision to fund the New Braunfels cultural heritage project.

### **New Braunfels Amateur Sports Report (2010)<sup>115</sup>**

The City of New Braunfels engaged TXP, Inc., an Austin, Texas consulting firm to measure the potential economic and tax revenue impact associated with an expanded effort to capture a greater share of the amateur sports travel market. The report estimated that amateur sports travelers make an average of

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<sup>114</sup> Economic Impact of New Braunfels's Hospitality Report, (2009).

<sup>115</sup> New Braunfels's Amateur Sports Report, (2010).

2.5 trips per year, with an average party size of 3.3 persons per trip. Taken together, this translates to an estimated 1,225,482 total amateur sports-related trips in Texas during 2008. The report then estimated what percentage of the total market the City of New Braunfels could expect to capture if it invested in a Sports Complex, calculated to be somewhere between 0.25 percent and 0.75 percent of the total market, with the midpoint (0.50 percent) a reasonable baseline assumption. The results from the economic impact of New Braunfels shown as acquiring .25 percent, .50 percent and .75 percent of the amateur sports travel market is indicated in the table below.

## Results

**Table 5: New Braunfels Potential Share of Texas Amateur Sports Travel Market**

	0.25%	0.50%	0.75%
<b>Total Direct Spend</b>	\$1,693,862	\$3,387,723	\$5,081,585
<b>Total Economic Activity</b>	\$2,458,721	\$4,917,443	\$7,376,164
<b>Total Personal Income</b>	\$547,314	\$1,094,628	\$1,641,941
<b>Total Employment</b>	25	49	74
<b>Direct Tax Revenue/Fees</b>	\$158,786	\$317,573	\$476,359
<b>Hotel Taxes</b>	\$31,362	\$62,724	\$94,086
<b>Sales Taxes</b>	\$9,380	\$18,760	\$28,140
<b>Entry/Event Fees (@50%)</b>	\$118,045	\$236,089	\$354,134
<b>Indirect Tax Revenue</b>	\$14,556	\$29,111	\$43,667
<b>Total Tax Revenue/Fees</b>	\$173,342	\$346,684	\$520,026

Source: TXP.

The report also indicated the annual cost considerations of existing sports facilities in New Braunfels (\$65 thousand for Camp Comal Softball and \$100 thousand for HEB Soccer Facilities), which should be used to estimate the cost of maintaining a sports complex. The report concluded with stating that a “mid-point” estimate suggests that amateur sports related travel and tourism could add approximately \$5 million (2009) annually to the local economy, creating about 50 permanent jobs and just under \$350 thousand in ongoing public sector revenue. This report has not led to any proposed or allocated funding related to capital improvement projects to date. However, this report did lead to a more in-depth feasibility study of the actual cost to build a sports/recreational complex in New Braunfels.

### **Feasibility Study of a Potential New Braunfels Sports/Recreation Complex (2012)**<sup>116</sup>

The feasibility study of a potential new sports/recreation complex in New Braunfels included an analysis of industry trends/characteristics, local market conditions, competitive/comparable facilities and host communities, market demand, supportable facility program, financial operations, and economic impacts. The envisioned sports/recreation complex would act both as an economic generator (through attracting tournaments/competitions with non-local participants and attendees) and a public resource

<sup>116</sup> Full Report NOT yet available to the public. Information below taken directly from a Draft Feasibility Study. Please contact the New Braunfels Chamber of Commerce for more information.

for local residents (by accommodating local sports and recreation activities). The Sports/Recreation Complex could possibly include a natatorium (aquatic center) and/or indoor and outdoor elements.

Overall, the market research and analysis conducted for this study suggests measurable market demand for non-local sports tournaments and competitions that is currently unmet by existing local facilities. In addition, the existing inventory of sports/recreation facilities (in terms of number, quality and decentralized nature) may be constraining long-term growth and development of, and participation in, local sports leagues, clubs and programs.

The draft study indicated many variables exist that influence actual realized construction costs, including type of facility, size, components, level of finish, integrated amenities, costs of goods and services in the local market, location and topography of the site, ingress/egress issues, costs savings related to developing a joint project and other such aspects. Architectural design and site/infrastructure analysis will be required to fully estimate ultimate development costs, but it did provide some cost estimates. For instance, the report estimated that total annual attendance for a sports/recreation complex could sustain over 400,000 people and could generate just over \$40 million in total economic impact. The full feasibility study will be released to the greater public sometime in late summer.

#### **Mission Verde: San Antonio Sustainability Initiatives (2012)<sup>117</sup>**

The Committee reviewed San Antonio's City Council Mission Verde sustainability resolution, which was voted on and approved in 2010. This resolution clearly indicates that the city government will lead by example in developing and implementing sustainable economic development solutions. The resolution reads:

WHEREAS, we live in a world of volatile energy prices, increasingly scarce resources, vigorous world competition, significant environmental degradation and technological innovation; and

WHEREAS, sustainability addresses the intertwined economic, environmental, and equity issues of a community; and

WHEREAS, "Mission Verde" was supported by the City Council in the January 28, 2009, B Session as a strategic vision for sustainability for the City of San Antonio; and

WHEREAS, the initial Mission Verde' plan was based on close study of the economic opportunities, costs, and challenges that San Antonio faces in transitioning toward a green economy; and

WHEREAS, sustainable policies and programs consider both the internal and external costs and benefits related to the economy, the environment and society -- the three elements of "triple bottom line" decisions; and

WHEREAS, air, water, soil conservation and protection help the City stay in compliance with the law and promote the general health and well-being of the community; and

WHEREAS, energy and cultural value embodied, in the historic heritage and infrastructure of the City should be respected and preserved; and

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<sup>117</sup> All Information provided by Bill Barker, AICP, Office of Environmental Policy, City of San Antonio, TX.

WHEREAS, Mission Verde must not be' static but contain elements that can grow over time as well as respond to changing conditions in order to make San Antonio more sustainable, self, reliant and resilient; and

WHEREAS, the comprehensive Mission Verde approach addresses the sustainability of the entire city and seeks to integrate and reinforce contributions from various elements of the City and community toward greater overall economic development, efficient use of resources, and public and environmental health.

Led by Services Committee Chairman Jay Brewer, the discussion of sustainability was presented as more than just “greening” the community. Mr. Brewer challenged the committee to think about how sustainability concepts can be incorporated into citizen engagement, social capital, economic development, infrastructure, the natural environment, transportation and more. He referenced the work of Mission Verde and San Antonio’s economic development leadership and how they are redefining the idea of “place-making.” The Chairman believes that New Braunfels should position itself to incorporate short-term strategies that lead to long-term economic growth and sustainability.

**Information & Relevant Data Gathered through Committee Meetings:**

The two main concepts that threaded the TxDOT conversation were: 1) Thoroughfare plans, and 2) Foresight it requires for a city to properly build “right-of-ways.” For example, transportation planning typically focuses on 30-year, instead of 3-year, outlooks. TxDOT warned that large development projects need to have suitable right-of-ways built into the development plan. Moreover, if the City doesn’t take a proactive approach early in the development process it will pay a much higher cost to correct this lack of action years later. The panel concluded the discussion with some thoughts on mobility. The panel mentioned that limiting road access increases speed, but can also reduce economic development prospects. The panel also indicated that TxDOT is impressed with the city, county and region’s ability to speak with one voice when seeking assistance from TxDOT. The table below indicates TxDOT’s current work that is underway in Comal County.<sup>118</sup>

Highway	Description	Cost Estimate
BS 46-C	WIDEN ROADWAY	\$10,216,126.75
BS 46-C	WIDEN AND REHABILITATE ROADWAY	\$10,683,000.00
US 281	CONSTRUCT NEW ROADWAY LANES	\$30,477,199.67
US 281	CONSTRUCT INTERSECTION IMPROVEMENTS	\$3,582,600.00
RM 484	WIDEN ROADWAY	\$2,197,255.33
FM 306	INSTALL LEFT TURN LANE AT INTERSECTION	\$3,432,171.60
CR	REPLACE BRIDGE	\$976,061.83
CR	REPAIR BRIDGE	\$672,608.94
FM 306	CONSTRUCT NEW ROADWAY LANES	\$31,013,651.30
FM 306	CONSTRUCT NEW ROADWAY LANES	\$5,948,925.64
FM 3009	CONSTRUCT NEW ROADWAY LANES	\$30,546,716.96

<sup>118</sup> Accessed May, 2012:  
[http://apps.dot.state.tx.us/apps/project\\_tracker/projects.htm?view=cnty&dist=San%20Antonio&cnty=Comal](http://apps.dot.state.tx.us/apps/project_tracker/projects.htm?view=cnty&dist=San%20Antonio&cnty=Comal).

FM 3009	CONSTRUCT INTERSECTION IMPROVEMENTS	\$1,579,083.31
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As the table illustrates, the FM 306 new lane construction will help ease traffic flow around the Town Center at Creekside. Moving forward, the City could identify specific traffic corridors for development through a Transportation Reinvestment Zone, which may help traffic flow to the hospital and potential sports/recreation complex.<sup>119</sup>

Table (1) <sup>120</sup>	Number of Establishments
Antiques - Gifts/Interiors	6
Art - Historic Outdoor Gallery of Murals	1
Art Galleries	3
Attractions/Amusement Places	45
Bed and Breakfast Inns	13
Boutiques	5
Campgrounds and R.V. Parking	24
Clothing - Childrens	1
Clothing - Retail	11
Clothing - Women's	3
Clothing & Jewelry	1
Entertainment & Live Music	23
Entertainment & Live Music - Teen Scene	1
Farmers Markets	1
Gift Shop - Specialty Gifts	5
Gift Shops/Postcards/Souvenirs/T-Shirts/Etc.	4
Gifts	8
Gifts & Clothing	4
Gifts & Jewelry	2
Gifts/Antiques/Collectibles	1
Golf Courses	3
Helicopter & Sphere Rides	1
Motels and Hotels	32
Museums	9
Resorts and Condominiums	23
Retail	3
Retail Stores	1
River Outfitters	22
Shopping	8
Souvenirs/Gifts/T-Shirts	1
Vacation Rentals-Furnished Homes/Cabins	43
Wine Tasting/Specialty Beers/Gourmet Gifts	3
Wineries	1
Total	312

<sup>119</sup> Accessed May, 2012: [http://ntl.bts.gov/lib/37000/37800/37821/0-6538-P1\\_Handbook\\_resub\\_editjd\\_sv.pdf](http://ntl.bts.gov/lib/37000/37800/37821/0-6538-P1_Handbook_resub_editjd_sv.pdf).

<sup>120</sup> Greater New Braunfels Chamber of Commerce Member Listing as of June 6<sup>th</sup>, 2012.

The CVB discussion started with defining the City’s brand. Tourism and hospitality are a large component of economic development, including the fact that economic development prospects often visit the City’s recreational facilities. She went on to elaborate on the numerous statistics and metrics that the Chamber collects to better understand the impact of the tourism industry.

The Committee asked Ms. Young to specify if the CVB uses “product lines” to describe the abundance of offerings in New Braunfels. Judy gave three needs for tourism locally: There is a need for a downtown hotel, sports facilities, and revision of the CVB marketing dollars system (which is currently capped, limiting growth for success achieved). The discussion ended with some clarification on New Braunfels’s heritage and the how the downtown, Gruene and other City assets play a role in telling that story.

The Services Committee was tasked with examining the community’s sustainability initiatives, current infrastructure and utility needs, and cultural and recreational services.

The CVB and Chamber of Commerce provided the following inventory (Table (1)) of New Braunfels’s cultural, recreational and tourism amenities, which are identified alphabetically by category, provided they were a member of the Chamber of Commerce.

There are a large number of attractions/amusement places (45) and entertainment and live music venues (23). To ensure these places and venues have a constant flow of customers, New Braunfels boasts many bed and breakfast inns (13), campgrounds and R.V. parking (24), motels and hotels (32), and vacation rentals or furnished homes/cabins (43).

The hotel/motel occupancy factbook provides data on the number of rooms available and the gross revenue over the last few years. The number of rooms available in New Braunfels has grown steadily except from 2005 to 2006 where there was a slight decrease in the number of rooms available. In addition, the gross revenue from hotel rooms has also grown steadily except from 2001 to 2002 and from 2007 to 2008. The table below displays the data annually from 1998 to 2010. Please note that the annual report for 2011 was not yet available.

**Hotel Rooms and Change in Revenues, 2005 - 2010<sup>121</sup>**

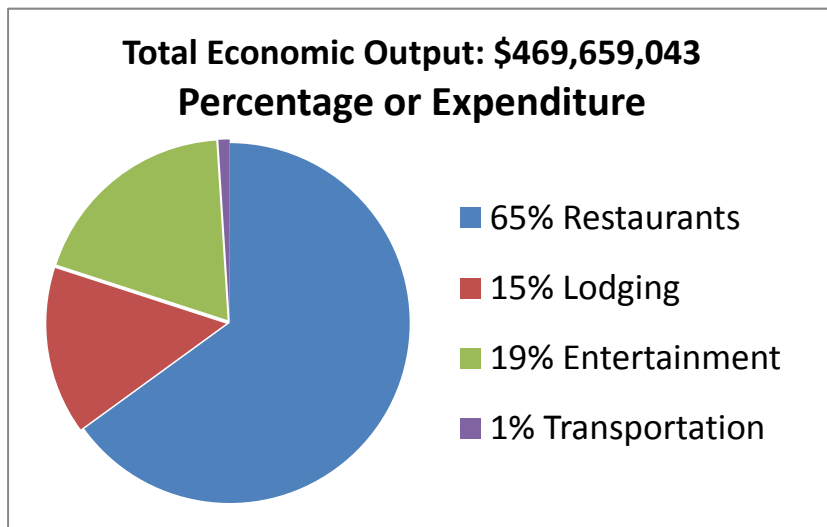
<b>YEAR</b>	<b>Number of Rooms Available in New Braunfels (78130 &amp; 78132)</b>	<b>GROSS REVENUE</b>
1998	1,564	\$19,268,629.00
1999	1,657	\$20,525,182.00
2000	1,699	\$22,095,295.00
2001	1,724	\$23,784,043.00
2002	1,766	\$22,057,923.00
2003	1,801	\$25,265,327.00
2004	1,909	\$25,476,193.00
2005	1,961	\$28,541,322.00
2006	1,950	\$31,338,368.00
2007	1,988	\$33,024,103.00
2008	2,059	\$35,743,117.00

<sup>121</sup> Texas Hotel Performance Factbook Quarterly and Annual – 2005-2011. Data includes New Braunfels Zip Codes 78130 & 78132. [www.sourcestrategies.org](http://www.sourcestrategies.org).



2009	2,288	\$31,952,121.00
2010	2,486	\$43,155,604.00

In her presentation on Wednesday, April 18th, 2012, Ms. Young explained how the hospitality industry's impact during 2009 was \$469.7 million, or approximately 20 percent of the total economic activity, in New Braunfels.<sup>122</sup> The total economic output of \$469.6 includes \$226.5 million in direct economic impact and \$243.1 million in indirect or spin-off output. The chart to the right illustrates the diversification of expenditures in the hospitality industry by sub-category.



Overall, the role of the CVB is to market New Braunfels as a destination to the overnight market. The work undertaken by the CVB is guided by the Strategy and Steering Committee and its target markets were defined by Mind Ecology Geography Consumer Targeted Analysis. Below is a short list of some metrics collected (January 1, 2011 through December 31, 2011) by the CVB to understand the level of visitor center traffic:

- Total Tourist-Related Calls: 4,502
- Total Tourist-Related Mail: 21,815
- Total Tourist Walk-Ins & Highway Visitor Center Contacts: 16,161
- Internet User Sessions/Email: 4,676,114
- Google Analytics (Website Visits): 24,850
- Facebook: 20,241

One of the objectives that the Services Committee reviewed was facilitation of a downtown hotel to leverage shoulder-season tourism opportunities. Ms. Judy Young mentioned that New Braunfels does not qualify for approximately 42 percent of all Social, Military, Educational, Religious and Fraternal Special Meetings (SMERF) market bids as well as Association bids due to the lack of a headquarter hotel.

<sup>122</sup> The New Braunfels Hospitality Economic Impact Assessment, Funded by the Greater New Braunfels Economic Development Foundation, (2009).

## Workforce Resources Committee

This report briefly summarizes how the *New Braunfels Comprehensive Plan* influenced the Workforce Resources Committee's work to develop succinct economic development strategies. This report references previous studies that have been completed on behalf of the subject and it includes summaries of subject-matter expert interviews held during the strategic planning process. The proposed goal, objective and strategies that will be proposed to the city council on behalf of the Services Committee are located at the end of the report.

### Investment Work Currently Underway in New Braunfels: Plans & Reports Referenced

1. *New Braunfels Comprehensive Plan (2006)*
2. *The Economic Impact of New Braunfels's Hospitality Industry (2009)*
3. *New Braunfels Talent Project (2009)*
4. *A Preliminary Analysis of the Importance and Impact of the Health Care and Social Assistance Sector on the New Braunfels Area Economy (2010)*
5. *Affordable Housing: Beating the Odds in New Braunfels Report (Leadership NB 2012)*

### New Braunfels Comprehensive Plan (2006)<sup>123</sup>

The *New Braunfels Comprehensive Plan* is a guide for making decisions about the future growth and development of New Braunfels. The plan is composed of many elements, but the Workforce Resources Committee focused on a few specific elements, such as land use and zoning, housing/neighborhoods, economic development, and education and youth. Here are the plan's goals and objectives that informed the Committee's work.

#### Land Use and Zoning

Goal 1: Promote manageable growth to achieve a proper balance of economic expansion and environmental quality while maintaining the community's unique qualities.

Objectives: A. Evaluate proposed zone changes to maintain land use compatibility, as well as the integration of mixed land uses as a component of achieving better places to live.

#### Housing / Neighborhoods

Goal 17: Provide sufficient housing opportunities to meet the future needs and demands for people of all income levels in New Braunfels.

Objective A: Make opportunities for home ownership available to as many citizens as possible on a nondiscriminatory basis in accordance with the Fair Housing program.

Objective C: Consider innovative site-built homes and manufactured housing as potential sources of low- and moderate-income housing.

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<sup>123</sup> The City of New Braunfels Comprehensive Plan, (2006).

Objective G: Provide adequate space for future development of all types and densities of residential dwellings, including single- and two-family residences, tri-plexes, fourplexes, townhouses, and multiple-family apartments.

Objective H: Encourage a mix of high-, medium-, and low-cost housing throughout the City.

Goal 18: Increase inventory of affordable housing.

Objective A: Establish appropriate zoning and incentives for redevelopment in older neighborhoods of New Braunfels to increase availability of quality housing alternatives for working families.

Objective B: Ensure that specific area plans and master plans for undeveloped areas provide for a diversity of housing types.

Objective C: Increase public information dissemination on processes for obtaining fair housing, obtaining rehabilitation funding, handling lodging complaints, and participating in assistance programs.

Objective D: Promote the development of alternative housing concepts in the public/private sectors as a strategy to provide additional affordable housing.

Objective E: Investigate programs to increase low-income and moderate-income housing ownership in New Braunfels. Moderate-income households are those whose incomes are between 81 and 95 percent of the median income.

Objective F: Encourage membership in non-profit, national organizations to assist low- and moderate-income households in locating and coordinating funding sources.

Objective G: Support creation of public-private partnerships for rehabilitation of existing residential properties.

Objective H: Encourage affordable housing by allowing location in residential districts that have greater density levels.

Objective I: Provide incentives to builders and developers to offer affordable housing. For example, the City may waive service connection, impact, or other building fees in joint ventures.

Goal 19: Provide an appropriate amount of land for various residential densities and ensure the highest quality living environment.

Objective A: Encourage location of medium- and high-density residential development in areas considered appropriate and compatible with existing development.

Objective B: Consider an original town overlay district with flexible provisions permitting waivers of height and area requirements to encourage development and redevelopment of high-density residential dwellings.

## Economic Development

Goal 37: To provide quality economic growth supportable by available human and natural resources.

Objectives A: Identify and plan for employers/industries that the community proactively seeks to attract.

Goal 38: Recruit, expand, and retain primary industries that pay above average wages.

Goal 42: Increase the availability of training programs which will provide skills needed to enter the workforce and to promote business development.

Objective A: Encourage the continued utilization of 4B funds for workforce development programs.

Objective B: Support the CTTC via 4B funds and community awareness programs.

Objective C: Encourage and support School-To-Work programs with local ISDs like Tech Prep, Texas Scholars and others.

Objective D: Establish local technical training programs that will provide training for a workforce for desired businesses/industries and meet needs of existing industries.

Objective E: Ensure provision for a trained workforce as well as retraining opportunities.

Objective F: Establish local college and technical school programs in New Braunfels through satellite programs of colleges and universities.

## Education and Youth

Goal 82: Provide quality post-high school educational opportunities, including junior college, technical schools, public schools, and private schools to ensure a knowledgeable, responsible citizenry.

Objective A: Enhance/expand present post-high school courses now offered post-secondary institutions.

Objective B: Encourage universities (both public and private) to offer programs locally.

Objective C: Solicit the location and classes of major universities to provide post-high school educational opportunities.

Objective D: Enhance/expand post-secondary courses offered by San Antonio College.

Objective E: Encourage other universities (both public and private) to offer satellite facilities/programs.

Goal 84: Provide work opportunities for youth that complement their educational needs and that youth can access.

Objective A: Develop awareness of, and information for, work opportunities, jobs, and different types of occupations.

Objective B: Promote and upgrade/enhance existing business and education partnerships through the Chamber, fraternal organizations, and civic groups.

Objective C: Promote voluntary cooperation between schools/businesses for youth jobs.

Objective D: Encourage the expansion or creation of vocational classes and training at the high school level.

Objective E: Provide accessible work opportunities for youth that complement their educational needs.

### **The Economic Impact of New Braunfels's Hospitality Industry (2009)<sup>124</sup>**

The Greater New Braunfels Economic Development Foundation sponsored a study on the hospitality industry in New Braunfels to investigate the financial and economic impact on its economy. The report defined the hospitality industry as "businesses in industries that derive significant earnings from tourists or out-of-town visitors." The primary source of data used to estimate the hospitality industry's economic impact was the 2009 state sales tax allocation for the City of New Braunfels.

Below is a list of the core findings in the report:

- The hospitality industry's impact during 2009 was \$469.6 million or approximately 20 percent of the total economic activity in New Braunfels.
- The hospitality industry is responsible for more than \$121.8 million in wages to full-time and part-time employees each year.
- The businesses that make up the hospitality industry support more than 6,979 jobs. This represents 27 percent of total employment in New Braunfels.
- The hospitality industry has shown solid growth over the period with total economic output rising 27 percent over the five-year period (2005-2009) at an annual growth rate of more than 6 percent.
- Workers' earnings in the hospitality industry grew 37 percent since 2005 and employment increased 32 percent during the same five-year period (2005-2009).
- The fiscal impact of the hospitality industry is significant, contributing more than \$12.8 million in taxes and fees each year to the City of New Braunfels. This represents nearly 19 percent of total city revenue received during the year.

This report is mentioned in the Workforce Resources Strategy Formation report for two primary reasons. First, the hospitality industry in New Braunfels supports an estimated 6,979 jobs in an industry that relies heavily on *soft skills*. Second, the hospitality industry is a growth industry in New

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<sup>124</sup> Economic Impact of New Braunfels' Hospitality Report, (2009).

Braunfels, with an annual growth rate of 6 percent (2005-2009), indicating that future employment prospects look positive.

### **New Braunfels Talent Project (June 2009)<sup>125</sup>**

TIP Strategies, an Austin-based business and economic development consulting firm, conducted a data-driven analysis of New Braunfels's efforts to meet future employment demands of an aging workforce in order to create an environment that is conducive to attracting and retaining a talented workforce. TIP Strategies' report focused on six specific implementation strategies to ensure talent attraction and retention is an important part of any community's economic development strategy. Following are the six implementation strategies.

- Continue to improve access to higher education and professional training opportunities
- Leverage tourism marketing for talent attraction
- Establish a Young Professionals (YPO) Organization to offer more opportunities for these individuals to network and interact
- Create a Mayor's Young Talent Advisory Council
- Develop an online clearinghouse for volunteer opportunities in the community
- Re-establish ties to former residents

### **A Preliminary Analysis of the Importance and Impact of the Health Care and Social Assistance Sector on the New Braunfels-Area Economy (2010)<sup>126</sup>**

The Texas Comptroller of Public Accounts, Local Government Assistance and Economic Development Division, provided a report to the community's leadership pertaining to the importance and impact of the healthcare and social assistance sector in New Braunfels. The report used data collected from the Economic Modeling Specialists, Inc. (EMSI) and the Texas Comptroller of Public Accounts to identify the sector's influence on total employment, which has been steadily increasing from 7.9 percent of total area employment in 2001 to 9.9 percent in 2010. At the state and national levels, this sector's share of total employment has increased from 9.0 percent and 9.8 percent in 2001 for Texas and the US, respectively, to approximately 11.3 percent for the state and 12.3 percent for the nation in 2010.

The report also noted that over a ten-year period (2001 to 2010), employment growth in the New Braunfels-area healthcare and social assistance sector has grown at a faster pace than the overall area economy. From 4,252 workers in 2001, employment in this sector has added 2,641 workers to reach an estimated 6,893 by 2010. This 62 percent increase in employment has overshadowed the 29 percent increase in overall area employment for the same time period. This report continues to influence the Mayor's Higher Education Task Force and its work on expanding CTTC and other higher education providers.

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<sup>125</sup> The New Braunfels Talent Project. Prepared by TIP Strategies, (2009).

<sup>126</sup> A Preliminary Analysis of the Importance and Impact of the Health Care and Social Assistance Sector on the New Braunfels Area Economy, (2010).

**Affordable Housing: Beating the Odds in New Braunfels Report (Leadership NB 2012)<sup>127</sup>**

*Leadership New Braunfels* is a program produced by The Greater New Braunfels Chamber of Commerce, Inc. to identify and bring together men and women of New Braunfels who seek the opportunity to expand their involvement in community affairs and are willing to assume leadership positions. The program also seeks to enhance the participant’s knowledge of, and commitment to, New Braunfels to make their involvement in community affairs more effective, develop and form relationships that will benefit their professional and volunteer careers, and stimulate a common understanding among the social and economic groups within the community.

This report was written by *Leadership New Braunfels* Project Team 4, who surveyed state and federal information on housing, reviewed local analyses and housing strategies, and considered demographic forecasts that shape our future housing markets. A lender’s rule of thumb indicated that a person or family can typically qualify for a house that costs 3.3 times their annual income. At median household income in New Braunfels is \$56,334<sup>128</sup>; a typical family’s affordable house is valued at approximately \$186,000. Table (1) below indicates that an estimated 73 percent of the owner-occupied housing units are valued below \$199,999. Table (2) below, indicates that approximately 50 percent of the housing stock in New Braunfels is over 20 years old.

<b>Table (1)</b> Value of New Braunfels Housing Stock: U.S. Census Bureau – American Community Survey (2006-2010)		
Value	Number of Owner-occupied Units	
Less than \$50,000	1,033	<b>73%</b>
\$50,000 – \$99,999	1,979	
\$100,000 – \$149,999	3,805	
\$150,000 – \$199,999	2,591	
\$200,000 – \$299,999	2,430	<b>27%</b>
\$300,000 – \$499,999	773	
\$500,000 – \$999,999	346	
\$1,000,000 or more	12	
Total Number of Owner-occupied Housing Units	12,969	
Median Value	\$146,500	

<b>Table (2)</b> New Braunfels Housing Stock: U.S. Census Bureau – American Community Survey (2006-2010)		
Year Housing built	Number of Units	
2005 – 2010	3,107	<b>50%</b>
2000 – 2004	3,955	
1990 – 1999	4,201	
1980 – 1989	3,367	
1970 – 1979	2,524	<b>50%</b>
1960 – 1969	1,607	
1950 – 1959	1,488	
1940 – 1949	862	
1939 or earlier	1,364	
Total Housing Units	22,475	

In terms of affordability, the State of Texas requires payment of a minimum wage at \$7.25 an hour. However, common retail outlets pay a working wage of \$10.00 an hour. If two adults working full-time at \$10 an hour (2080 hours per year) would yield the two adults \$41,600 per year. If multiplied by lender’s rule of thumb (3.3) then these two adults could afford a home worth 137,280. Now, only 53 percent of the owner-occupied homes in New Braunfels would be in the reach of these two adults.

<sup>127</sup> Affordable Housing: Beating the Odds in New Braunfels Report, (2012).

<sup>128</sup> U.S. Census: USA Quick Facts, (2006-2010).

The availability of housing (both owner-occupied and rental) is a decisive factor for business retention, expansion and attraction. Table (3) below compares the New Braunfels housing occupancy statistics with its neighboring cities, which includes San Antonio. When compared to the cities of Seguin and Schertz, New Braunfels has a much larger stock of housing. Also, indicated from the table below, the percent of vacancy housing units as a percentage is the greatest in New Braunfels.

<b>Table (3)</b> HOUSING OCCUPANCY <small>129</small>	New Braunfels Estimate	New Braunfels Percent	Seguin Estimate	Seguin Percent	Schertz Estimate	Schertz Percent	San Antonio Estimate	San Antonio Percent
Total housing units	23,137	23,137	10,405	10,405	11,006	11,006	525,799	525,799
Occupied housing units	20,425	88.3%	9,287	89.3%	10,148	92.2%	470,223	89.4%
Vacant housing units	2,712	11.7%	1,118	10.7%	858	7.8%	55,576	10.6%
Homeowner vacancy rate	3.6	(X)	1.2	(X)	3.1	(X)	2.2	(X)
Rental vacancy rate	10.9	(X)	13.0	(X)	2.4	(X)	9.9	(X)

Table (4) below indicates that the City of New Braunfels has the 2<sup>nd</sup> highest selected monthly owner costs for both housing units with a mortgage and occupied units paying rent when compared to the cities of Seguin, Schertz and San Antonio.

<b>Table (4) SELECTED MONTHLY OWNER COSTS (SMOC)<sup>130</sup></b>	New Braunfels Estimate	Seguin Estimate	Schertz Estimate	San Antonio Estimate
Housing units with a mortgage	9,320	2,715	6,298	171,118
Median (dollars)	1,313	1,162	1,442	1,211
GROSS RENT				
Occupied units paying rent	6,636	3,753	N <sup>131</sup>	199,597
Median (dollars)	914	755	946	769

Public housing was established to provide decent and safe rental housing for eligible low-income families, the elderly, and persons with disabilities. Public housing comes in all sizes and types, from scattered single family houses to high-rise apartments for elderly families. Table (5) below indicates the available public housing units in Comal County.

<sup>129</sup> U.S. Census: 2008-2010 American Community Survey 3-Year Estimates.

<sup>130</sup> Ibid.

<sup>131</sup> An 'N' entry in the estimate and margin of error columns indicates that data for this geographic area cannot be displayed because the number of sample cases is too small.



<b>Table (5)</b>		
<b>Name</b>	<b>Population Served</b>	<b>#Units (estd.)</b>
Balcones Haus	Low income, elderly	60
Bavarian Manor Apts	Low income, family	65
Braunfels Haus Apts.	Low income, family	74
Eden Heights Apts, Inc.	Low income, age 62+	90
Ellis Townhomes	Rental assistance	60
Laurel Plaza Apts (built 1972)	Low Income, elderly, disabled	100
Village Circle	Low income, family	50
Landa Place	Low to mod income, elderly	100
Villa Serena (built 1978)	Low income, family	70
<b>TOTAL UNITS</b>		<b>669</b>
Section 8 Vouchers	City of New Braunfels	292
	AACOG	98
	<b>Total Possible Vouchers</b>	<b>390</b>

The *Affordable Housing: Beating the Odds in New Braunfels* report also reviewed the City of New Braunfels Consolidated Plan 2010-2014: Housing (Sections 10-21). The plan cited the following funds available for affordable housing projects:

- Community Development Block Grant (CDBG)
- Owner-Occupied Housing Rehabilitation Grants through Texas Department of Housing and Community Affairs HOME and Trust Fund programs
- Historic Preservation Tax Credits and Grants

The report indicated the following constraints that affect affordable housing in New Braunfels, which are primarily economic. The rising costs within the construction industry, the cost and availability of financing and the high demand for a limited amount of land have combined to constrain housing production, particularly for low- and moderate-income persons. The net result is significantly higher costs for housing in a period when incomes may not be rising at the same pace. The report highlighted the following affordability/livability concerns:

- Several neighborhoods face chronic flooding problems and are permanently damaged, many of which are difficult to sell without substantial rehabilitation.
- Low vacancy rates for most types of housing in New Braunfels suggest that demand for certain housing exceeds supply, causing inflated home values (particularly for owner-occupied homes).
- A low wage scale, coupled with a high cost of living, decreases housing affordability.
- Building costs are very high, making it difficult for builders to construct affordable housing profitably. Utility fees and other development costs average \$5,500 per lot, excluding purchase. The western half of New Braunfels is located over the Edwards Under-ground Aquifer Recharge Zone. In order to develop fewer than 5 acres of land over the Recharge Zone, one must conduct costly engineering studies and file a water pollution plan with the Texas Natural Resources Conservation Commission (the water pollution plan alone costs \$350-\$2000 to file).

- The City of New Braunfels has a low tax rate, making it difficult to provide all of the municipal services demanded by the public.
- Suburban Building Regulations: The City requires all streets be a minimum of 50 to 60 feet wide (depending on house lot size). Typically, homes must be set back at least 25 feet in the front and 30 feet in the back. In general, there must be at least 6 feet of property on each side of the house.

This was released in May 2012 and its summary of the current housing affordability issues were well received by the City and Chamber. The Workforce Resources Committee reviewed the facts explained in the report and referenced it when discussing economic development goals, objectives and strategies.

*Workforce Skills Shortages: Tour of Manufacturing Facilities*

Mr. Klaus D. Weiswurm is the CEO of ITM, the Chair of the Alamo Area Academies and a member of the manufacturing association in New Braunfels and San Antonio. He is also on the University of Texas at San Antonio curriculum committee. Mr. Weiswurm described his business as a producer of specialty manufacturing technologies and he clearly understood the challenges they are facing in finding employees suitable for their workforce. The group then toured the plant, seeing a variety of manufacturing devices being designed, built and tested for customers, including a demonstration of a device that automatically deburs step-threaded oil field pipe joints.

Given Mr. Weiswurm's work with Alamo Colleges and UTSA, he led the discussion with the following data points:

- There are 2,500 vacancies in manufacturing in San Antonio;
- 10-20 percent of workforce is retiring in 5-10 years;
- 80 percent of incoming college freshmen need remediation; 10 percent are ready for college after high school and 10 percent will never be ready ;
- After a year of college, only 25 percent of students remain in college, leaving 75 percent of high school graduates unprepared for a career; and,
- Academies in San Antonio and New Braunfels are geared toward 11<sup>th</sup> and 12<sup>th</sup> graders. Students receive dual credit (receiving both high school and college credit), and spend half the day working with a company to enhance their professional skills.

## G. White Papers and Case Studies

### Leveraging Type B Economic Development Investments

City of New Braunfels, TX

May 24<sup>th</sup>, 2012

This white paper will describe how Texas communities can leverage Type B economic development investments with a blended package of economic development funding. It will highlight economic development financing tools and provide the New Braunfels Strategic Plan subcommittee members with an overview of gap financing.

#### **Overview:**

One important way to ensure a private firm's competitiveness is to lower total cost of operation/production in relation to total revenue. Among the variables that comprise a firm's total cost, taxes are not within its direct control. By obtaining economic development incentives that offer tax abatements, tax credits and similar tax reduction mechanisms, firms can lower their business costs, thereby increasing their investments in the region and can contribute to the area's economic growth.<sup>132</sup> Traditionally, tax abatements, tax credits and similar tax reduction mechanisms have been the predominant tool for economic developers to generate job growth, but it is not the only tool.

#### **A Summary of Gap Financing<sup>133</sup>**

Gap financing is required when the financial resources necessary to complete a real estate development or infrastructure project do not fully cover the cost of undertaking the project. The role of the economic developer in this situation is to design creative funding mechanisms to fill the gap, whether it is in times of economic expansion or contraction.

Gap financing that uses public resources should take place only for projects that have clear public value. For example, helping to finance a historic downtown building to stimulate other downtown reinvestment, or financing the clean-up of a contaminated site probably are in the public interest. Gap financing analysis, therefore, requires close scrutiny of market studies, *pro formas*, cost estimates, revenue projections, and related factors to assure that the project truly needs public dollar support.

The funding required to fill the gap can be sourced in a number of different ways. For example, private investors, philanthropists or public organizations can contribute equity, tax credits, and government grants can provide funding. Different funding methods tend to have different restrictions on the usage of the acquired funds. Economic developers need to know if there will be conflicting requirements for funding bodies or if the requirements will restrict the project uses. A large number of funding sources may also make structuring a deal more time consuming and difficult to coordinate.

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<sup>132</sup> An Analysis of Texas Economic Development Incentives. 2010: Susan Combs. Texas Comptroller of Public Accounts. Pg. 2.

<sup>133</sup> IEDC Real Estate and Reuse Course Manual. Chapter Seven, Pgs. (118-120).

Care must be taken to avoid conflicting requirements in loans (e.g. payback position, federal and state lending requirements, risk assessment criteria required). These requirements may hinder the progression of a real estate development project. The economic developer also needs to be able to coordinate the various funding sources because the various levels of government may want to occupy the same preference position on the gap mortgage or loan.

A number of local funding tools exist for economic developers in gap financing. These are: Tax Increment Financing (TIF), General Obligation (GO) Bonds, Revenue Bonds, Industrial Revenue Bonds, Tax Abatements, Loan Guarantees, Federal Grants & Loans for Local Development, as well as others. Public gap financing options are often specific to the type of development offered. Federal and/or State Historic Tax Credits, for instance, are only available to developments involving historically significant sites, which are numerous in the City of New Braunfels. Also, public financing is often used in situations involving low income or minority communities, distressed economies, designated redevelopment areas, brownfields, and in projects where the goal is to diversify or strengthen the job base.

For example, New Markets Tax Credits (NMTCs) represent a major opportunity for development progress because there is a 39 percent tax credit over seven years against equity investments made in designated Community Development Entities (CDEs). By effectively reducing the cash outlay of investors over the life of the tax credits, they are willing to either invest more or to invest in a project that would otherwise be considered too financially risky. All of the qualified equity investments must in turn be used by the CDE to provide loans or investments to businesses, commercial real estate projects, and other entities in low-income communities. NMTCs are limited in funding availability from year to year and are subject to an extremely competitive application process. The NMTCs are also technically difficult to implement and secure, but there are resources available that can guide a community through the project development and application stages.

Community Development Block Grants (CDBGs) are another example of federal and state funding mechanisms. These funds are available to communities of over 50,000 and can be used for land acquisition, land preparation, infrastructure development, and historic renovations. The Community Development Advisory Committee currently oversees this source of funds for the City of New Braunfels and makes recommendations as to the types of projects that should be funded with CDBGs.

Developments at Bucknell University in Lewisburg, Pennsylvania were funded by state grants and loans, New Market Tax Credits, Historic Tax Credits as well as input by the university community and the developer. The Bucknell University project is a prime example of how gap financing was used to save a real estate project. The project had a \$10 million cost and only \$5.5 million was provided by the state. Tax credits provided \$3.6 million and the university or the property developer provided the remaining. The project involved six separate sources of funding, each in different proportions.

The economic developer should be able to bring together a number of different gap financing strategies tailored to the specific real estate project that needs public assistance. No two projects will have the same funding structure and a number of techniques will be available to fill a funding gap. The project

itself may be equity or debt financed—typically both—and from a number of sources, which will alter how the project finances itself in the long term. Care must be taken to ensure that the right funding options are selected for the project because the final structure of the financing may affect the final profitability and use of the development.

The City of New Braunfels’s economic development financing tools include various tax abatements and the Type B Economic Development sales tax revenues (i.e. approximately \$4 million annually for gap financing and investment projects). The New Braunfels City Council reviews and votes to approve all Type B Economic Development Corporation Board proposed outlays.

### **Type B Economic Development Corporations**

Texas communities can work to ensure the private sector’s competitiveness by providing funding of projects that retain or create primary jobs. For example, in the City of New Braunfels the Type B Economic Development Corporation (i.e. New Braunfels Industrial Development Corporation (NBIDC)) can use a designated portion of sales tax revenues to build manufacturing and industrial facilities; research and development laboratories; warehouses and distribution centers; primary job training facilities; and corporate headquarters. Also, Type B Economic Development Corporations can use a designated portion of sales tax revenues that don’t create or retain primary jobs to fund job training classes, certain infrastructure projects necessary to promote or develop new or expanded business enterprises, build public parks and open space improvements; concert halls, auditoriums, and amphitheaters; affordable housing projects; commuter rail or light rail; development or expansion of a business-related airport; stadiums, ballparks, and athletic fields; tourist, convention and visitor centers.

It is important to point out that there are limitations to this source of funds. Type B Economic Development Corporations funds are limited to the following infrastructure investments: streets and roads, recycling facilities, rail spurs, natural gas utilities, electric utilities, water and sewer utilities, drainage, site improvements, telecommunications and Internet improvements if found by the board of directors to promote or develop new or expanding business enterprises.<sup>134</sup>

Additionally, once the Type B Economic Development Corporation decides on an eligible project, there are limitations on the allowable costs. Under the Texas Economic Development Act, the allowed costs of a project include the following:<sup>135</sup>

- Acquisition of land,
- Machinery and equipment,
- Construction costs,
- Planning and professional services related to the project,
- Financial transactions and reserve funds, and
- Administrative and other necessary expenditures.

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<sup>134</sup> Accessed May, 2012: [http://www.texasahead.org/tax\\_programs/typeab/TypeAandB\\_tutorial\\_script.pdf](http://www.texasahead.org/tax_programs/typeab/TypeAandB_tutorial_script.pdf).

<sup>135</sup> Ibid.

All eligible economic development projects need to be able to show a return on investment to the community and they are required to have clawback provisions<sup>136</sup> in the event of non-performance or compliance. Most Type B Economic Development Corporations are required to show the number of basic jobs created, capital investment and payroll created by the project. In doing so, the City and New Braunfels Industrial Development Corporation are able to clearly state the return to the community to ensure these corporations are responsible stewards of the public's money.

### **Leveraging Type B Economic Development Investments**

Type B funds can be utilized in combination with other economic development funding sources to provide gap financing to projects in need. The role of the economic developer in this situation is to design creative funding mechanisms to fill the gap whether it is in times of economic expansion or contraction. Economic developers can effectively leverage local dollars with outside capital and create value in the community as long as it stays within the limits of the city charter, city council guidelines and the Type B statute. The list below identifies a few common forms of economic development funding sources that can be used in partnership with Type B investments.<sup>137</sup>

- Grants - EDCs may accept grants from any public or private entity including federal, state, and local governments; individuals and corporations.
- Accepting loans and issuing bonds - EDCs also may accept loans and issue bonds to leverage revenues from future tax receipts for current projects. A common source of loan funds is the Texas Leverage Fund.<sup>138</sup>
- Interest from project loans - EDCs may act as a lender to businesses in connection with projects and charge interest on loans. The interest earned on these loans is income for the EDC to reinvest that money to provide additional loans or grow the loan pool in general.
- User and admission fees - Some EDCs operate public facilities such as arenas and stadiums and receive revenues from user fees and/or admission ticket sales. These proceeds are revenue for the EDC that can be leveraged to make additional investments in the community.

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<sup>136</sup> The use of tax incentives for attracting jobs and capital investment has grown over the past twenty-odd years to include performance measures from which to gauge a company's growth. Typical measures are 1) number of created jobs over five or 10 years; 2) annual payroll; 3) amount of capital investment over a similar time frame; and 4) amount of depreciated value in a given time. Other, more unusual measures include retaining a headquarters at a specific site for a period of time; amount of production increase or production cost decrease per unit; or the requirement to bring a given technology to market. If a recipient fails to meet one or more performance measures defined in an executed incentive contract within a given time, a **clawback** may be initiated by the granting authority. The recipient is then required to return the monetary value of the incentive plus a penalty and/or interest to the grantor of the incentive, usually a local or state taxing authority. As the use of incentives mature over time, the triggering of clawbacks for non-performance will likely become ubiquitous. (<http://www.iedconline.org/EDAmerica/Fall2006/Clawbacks.html>)

<sup>137</sup> Accessed May, 2012: [http://www.texasahead.org/tax\\_programs/typeab/other\\_funding.php](http://www.texasahead.org/tax_programs/typeab/other_funding.php).

<sup>138</sup> Accessed May, 2012: [http://governor.state.tx.us/files/ecodev/TLF\\_Guidelines.pdf](http://governor.state.tx.us/files/ecodev/TLF_Guidelines.pdf).

- Real estate profits - EDCs also may acquire land to sell for business development projects. Profits from these transactions must be returned to the EDC's project fund to finance future business development programs.

Here is a list of additional partners/mechanisms that could leverage Type B economic development funds:

- Federal Government (Small Business Administration, Economic Development Administration, Department of Housing and Urban Development, United States Department of Agriculture, Import-Export Bank, and Historic Rehabilitation Tax Credits).
- State of Texas (Texas Enterprise Fund (TEF), Texas Emerging Technology Fund (TETF), Workforce Development, Tailored Financing and Grants).<sup>139</sup>
- Commercial loan guarantees with lenders to assist in small business loans.
- Tax exempt bonds to support infrastructure development.
- Chapter 380/381 development agreements where other city funds may be used to support infrastructure improvements and business or employment.
- Workforce funds to develop specific workforce training to support business expansion and growth of employment.
- Special purpose districts (e.g., Management Districts or Public Improvement Districts) for the purpose of assisting businesses with façade improvements in downtown districts or development of business zones or commercial zones.
- Sales tax refunds based on specific performance to the company or other entity in return for employment, investment, achieving specific sales or other targets.
- Low interest or interest free loans where the Type B Economic Development Corporation will be subordinate to a senior lender to access more funds.
- Development of commercial and industrial property or studies to support development of industrial or commercial property.
- Goodwill Incentives packages to employees relocating to the Area and for corporate purposes. Some of these incentives may include:
  - Use of local education institution classrooms for training
  - Discounted moving costs
  - Discounted banking costs
  - Discounted sign costs
  - Discounted printing costs (design and production) for creation of letterhead and stationary
  - Provision of local tours of the area
  - Assistance with construction permitting
  - Provision of chamber member coupon book

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<sup>139</sup> Accessed May, 2012: <http://www.texaswideopenforbusiness.com/incentives-financing/index.php>.

The text box on the next page highlights an interview with the Sugarland, Texas Economic Development Department. This interview serves as an example of unique examples of leveraging Type B Economic Development funding.

**An interview with Sugarland, Texas Economic Development Dept.**

**IEDC:** Could you share a few ways that you creatively leveraged Type B economic development funds?

**Sugarland, TX:** We have leveraged our Type B funds through a Joint Type B Capital Improvement Program (CIP) that allows Sugar Land HOA's and other entities to propose public improvement projects around their developments whereas the entity and SL4B split the cost in order to provide park and landscaping improvements. We have recently used Type B funds to support debt on a minor league ballpark through a public private partnership with Opening Day Partners. Finally, we invested \$6 million into another public private partnership that redeveloped a historic prison dormitory into a Museum of Natural Science.

**IEDC:** Could you list the economic development funds and/or taxing authorities that have proven to be a good partner in economic development?

**Sugarland, TX:** Partners have been private sector: Planned Community Developers, Newland Communities, City of Meadows Place, Fort Bend County Levee Improvement District #2 (LID) that provides both flood and storm water management services to residents, numerous Homeowner Associations (HOAs) and Municipal Utility Districts (MUDs), Johnson Development, Houston Museum of Natural Science, Marriott Conference Center & Hotel, Opening Day Partners.

**Municipal Utility Districts (MUDs)** <sup>140</sup>

The State of Texas is unique in that there is not a state income tax. However, there are many other taxing authorities in the state that can levy ad-valorem taxes, which are taxes that are based on the quantity of an item (e.g. assessed property value). In Texas, municipal utility districts (MUDs) have taxing authority, which can be brought to the table to participate in tax abatements for economic development projects.

MUDs are a political subdivision of the State of Texas authorized by the Texas Commission of Environmental Quality (TCEQ) to provide water, sewage, drainage and other services within the MUD boundaries.<sup>141</sup> MUDs have property taxing power and in addition to their common functions of water and wastewater service, MUDs are legally empowered to engage in conservation, irrigation, electrical generation, firefighting, solid waste collection and disposal, and recreational activities (such as parks, swimming pools, and sports courts).

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<sup>140</sup> Email exchange with Michael Meek (New Braunfels), Regina Morales (Sugarland, TX) and Lance Lacour (Katy, TX).

<sup>141</sup> <http://www.jbgoodwin.com/knowmud.htm>.



For example, the City of Katy, Texas has 60+ MUDs that can be leveraged for economic development grants.<sup>142</sup> Some of these MUD's have sales taxing power through strategic partnerships with the City of Houston, and can use the sales tax funds for any kind of economic development activity. The City's economic development team has leveraged some of the relationships with these MUD's to offer grants over a five- to ten-year period. The City is currently developing incentive guidelines for one of the MUDs to offer incentives focused on office development in particular. Also, the City has created a new membership category for the MUDs (e.g. minimum 3 MUD's at \$5,000 for a total of \$15,000 which equals a Board membership) and created the Greater Katy Area Districts Council to increase cooperation and interaction with MUDs for emergency preparedness, infrastructure capacity building and economic development.

Another example is the City of Austin's Economic Growth and Redevelopment Services Office where the City's MUD charges a small surcharge to all utility bills. The funds raised from the surcharge are reallocated to the City of Austin Economic Growth and Redevelopment Services Office, which is a branch of city government. The program generated approximately \$7 million in 2009 and comprises approximately 1/3 of the EDOs budget. The funds go into the EDO general fund.

In New Braunfels, the utility is not organized as a municipal utility district (MUD). It is managed by a unit of the city government that has a separate Board of Trustees. It is funded through service rates and impact fees and bond financing is available. New Braunfels Utilities (NBU) is not a taxing authority and the New Braunfels economic development team does not have MUD resources to leverage Type B Economic Development investments. Although there are not any MUDs in New Braunfels now, the State of Texas owns 2,000 acres just north of the city limits and may use a MUD for that development. Also, the Veramendi development will have a quasi-MUD, since they will not be annexed yet and will reinvest tax revenue back into their 2,500 acre development. The City will eventually annex this property as the sub-districts' debt is retired.

## **Conclusion**

Type B Economic Development Corporations have a great deal of flexibility in how these funds are used for economic development purposes. However, the flexibility of these funds, in addition to the yearly renewal of the full fund amount should not be taken for granted. Leveraging Type B funds with a blended package of both public and private sector investments should be standard practice. The role of the economic development practitioner is to 1) Identify all sources of economic development funding mechanisms, and 2) Create robust organizational structures such as public-private partnerships that leverage Type B funds.

## **History of New Braunfels/Comal County Leveraging State of Texas Financial Resources**

The summaries below describe the incentives offered by the State of Texas that have been utilized in New Braunfels.

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<sup>142</sup> Accessed April, 2012: <http://www.katyedc.org/incentives>.

The **Texas Enterprise Fund** may be used only for the following purposes: economic development, infrastructure development, community development, job training programs and business incentives.

Company: Home Depot  
Location: Austin & New Braunfels  
Industry: IT & Distribution  
Direct Jobs: 843  
Capital Investment: \$809,170,000  
TEF Grant: \$8,500,000  
Annual Gross State Product Impact: \$49,061,267  
Total Jobs: 1,074  
Economic Return: (GSP/TEF) 577 percent  
Direct State Return: (TAX REV./TEF) 270 percent  
Date Announced: 07/04  
Disbursement Amount: \$3,500,000  
Disbursement Date: 08/05

*The City of New Braunfels received one (1) of the seventy-one (71) Texas Enterprise Fund awards (2004-2010).<sup>143</sup>*

The **Texas Enterprise Zone Act** established a process whereby areas characterized by acute distress are identified and are provided with state and local inducements to encourage private investments through the removal of unnecessary governmental regulatory barriers to economic growth and to provide tax incentives and economic development program benefits. In essence, the enterprise zone program has served as an economic development tool for local communities to partner with the State of Texas to promote job creation, job retention and capital investment in economically distressed areas of the state. Projects approved, projected capital investment, and new and retained jobs are tracked by the Governor's office.

<b>Company</b>	<b>County</b>	<b>Capital Investment</b>	<b>Jobs (new/retained)</b>
Cemex Cement of Texas, L.P.	Comal	252,413,000	214 (CY 2006)
TXI Operations, LP	Comal	260,000,000	176 (CY 2008)

*Comal County received two (2) of the two hundred and sixty-eight (268) Texas Enterprise Zone Act tax incentives (2003-2010).<sup>144</sup> Prior to 2004, a dozen projects received tax abatements from the city and county, beginning with the Wal-Mart DC in 1986.*

A type of **Property Tax Exemption** for items classified as "Freeport property" (Article VIII, Section 1-j) is an available incentive. Freeport property includes various types of property that are detained in Texas for a short period of time (175 days or less) to be transported out of Texas. The goods must be in Texas for certain purposes, such as assembly, storage, manufacturing, processing or fabrication. This

<sup>143</sup> Office of the Governor (information reported to CPA on September 3, 2010).

<sup>144</sup> Ibid.

exemption was proposed to enhance economic development. The Freeport exemption is the state's largest economic development program in terms of total dollars. Since the program is administered and monitored at the local level, the state does not have sufficient information to evaluate the return on the taxable dollar value loss granted under the exemption.

County Name: Comal

School District Name: Comal

Freeport Exemption Taxable Dollar Value Loss: \$23,066,008

Number of Freeport Exemptions Granted: 12

*Comal County received twelve (12) of the 5,217 Texas Freeport property tax exemptions (2003-2010).<sup>145</sup> The City of New Braunfels, Comal County and the Comal ISD have approved Freeport. The New Braunfels ISD has not. Properties qualified that are located in the city, county and Comal ISD are deemed "triple Freeport" eligible.*

The **Skills Development Fund** was designed to better utilize the public community and technical college system in Texas as well as other training organizations and have them partner with businesses throughout the state (with priority on small businesses) to train workers to meet the labor needs of employers and the regional labor market. The purpose of the Skills Development Fund is to enhance the ability of public community and technical colleges, the Texas Engineering Extension Service (TEEX), or community-based organizations only in partnership with these institutions to respond to industry and workforce training needs and to develop incentives to provide customized assessment and training in a timely and efficient manner. The fund's goal is to increase the skills and wages of the Texas workforce. This objective is achieved by enhancing the ability of a grant recipient (i.e. a public community college, a technical college, the TEEX, or a partner with community-based organization) to provide customized industry and workforce assessment and training in a timely manner.

*Prior to state law changing the name to Skills Development Fund (SDF), the program was known as Smart Jobs. Several companies benefitted from that program. SDF funding is limited and cannot be leveraged with Type B funding for job training.<sup>146</sup>*

The Texas **Emerging Technology Fund (ETF)** was established in 2005 in order to expand innovation and research within the State of Texas as well as increase higher education applied technology capabilities and to potentially expand the job base associated with high-tech and research. Priority is given to organizations with primary operations in Texas. Collaboration with a Texas institution of higher learning is a requirement for applicants. Proximity to an institution of higher learning is a challenge.

*IEDC could not find an instance when this incentive was used in New Braunfels.<sup>147</sup>*

**Chapter 313 Agreements** – Provides school property tax relief for large capital investments. These

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<sup>145</sup> Office of the Governor (information reported to CPA on September 3, 2010).

<sup>146</sup> Ibid.

<sup>147</sup> Ibid.

agreements apply to corporate or limited liability companies subject to payment of state franchise taxes. In 2010, the first use of this incentive was approved by the Texas Comptroller's Office and the Comal ISD for a local cement manufacturer, enabling a \$100 million stalled investment from three years previous due to the recession.

**Industrial Revenue Bonds** – The Comal County Industrial Development Authority was the second such bond authority chartered in the State of Texas in 1979. A number of industrial projects locally benefitted from these tax exempt funds in the 1980's and early 1990's. Current historically low interest rates since the mid-1990s have lessened demand for this incentive.

**EDA Economic Development Grants** – New Braunfels received \$1.25 million in 2004 for the development of the Central Texas Technology Center. Those funds leveraged into \$1.2 million from the Type B and funds from the Seguin, Texas 4A board along with state funding via a Wagner Peyser \$500,000 grant and monies from the local wholesale electric provider.

## The Cincinnati MicroCity Loan Program Case Study

**Background:** Located in Cincinnati, Ohio, the *Greater Cincinnati Microenterprise Initiative, Inc. (GCMI)* was established in 1998 out of a partnership of human service agencies, local banks and businesses to provide economic opportunities to individuals and communities “through job creation and self-employment opportunities by stimulating and supporting entrepreneurship.” GCMI is a not-for-profit 501c3 organization providing access to capital and business support services to new entrepreneurs and small businesses at any stage or level.<sup>148</sup>

Specifically, the MicroCity Loan Program is housed within the City of Cincinnati’s *Division of Community Development*, which provides and leverages funding and other resources that support quality housing, neighborhood revitalization, healthy small businesses, commercial/industrial redevelopment and human services.”<sup>149</sup>

**The MicroCity Loan Program:** The MicroCity Loan program emerged in 2005 in response to the need of many Cincinnati micro-enterprises (identified by the City as businesses with 5 or fewer employees) requiring access to capital for start-up and/or expansion.

**The Need:** Responding to the calculated need for micro-loan opportunities, the City then began a Request for Proposal (RFP) process in order to identify the best service provider to handle the underwriting, servicing and management of the loan fund. The contract was awarded to a local Community Development Financial Institution (CDFI) – the (GCMI). In 2011, the City conducted another RFP to ensure continued provision of the best services for Cincinnati small businesses. Again, GCMI was awarded the contract and is currently responsible for underwriting and administering the loan fund.

**The Process:** The City of Cincinnati’s Division of Economic Development currently provides administrative oversight for the small business loan fund portfolio management. Through GCMI, the City of Cincinnati also funds technical assistance for participating small businesses and individuals to increase the effectiveness of the micro loan program. Similarly, the City of Cincinnati’s Division of Economic Development oversees the technical assistance service providers.

**Funding and Application Process:** Since the beginning, the City has funded the MicroCity Loan fund with Community Development Block Grants (CDBG) resources. The City based the application requirements on the basic SBA 7(a) loan application found in many banks, in which the main prerequisite for applying is typically a business plan and a review of credit history. Additional required information for the loan program includes information on the following: ownerships and management structure, banking relationship data, project budget and financial information, sources of projected funds, collateral information and several other related documentation requirements.

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<sup>148</sup> Accessed June, 2012: [http://www.gcmi.org/about\\_us.php](http://www.gcmi.org/about_us.php).

<sup>149</sup> Accessed June, 2012: <http://www.cincinnati-oh.gov>.

**Terms of the Program:**<sup>150</sup> The maximum MicroCity Loan amount is \$35,000 and a term limit of seven years with an interested rate fixed at prime. The loan funds can be applied toward any “legitimate business purpose” including:

- Permanent Working Capital
- Machinery and equipment
- Tenant Improvements
- Construction/Renovations
- Acquisition of Real Estate

Additionally, MicroCity Loans can be awarded to the following projects/participants.<sup>151</sup>

- Eligible Community Development Block Grant Entitlement Program activities that meet national objectives for job creation/retention, low-moderate income area benefit or prevention/elimination of slum and blight.
- For-profit businesses with five or fewer employees that have adequate historic or projected cash flow to repay the debt. The owner may be one of the employees.

*Conversely, MicroCity Fund loans cannot be used toward:*

- Social service agencies: to care for or rehabilitate people, religious institutions, not-for-profit service providers, or private clubs with membership restrictions.
- Venture capital investments or for any use prohibited by City, state, or federal regulation or law.
- Refinancing existing debt.

*Recipients of MicroCity Loans must:*

- Comply with City environmental requirements.
- Maintain the business within City limits for the entire loan term.
- Demonstrate ability to repay loan within a reasonable time period.

**Marketing:** The City actively markets the MicroCity loan program to small businesses with public appearances at local community events, as well as through television, radio and print media.

For more information please visit:

- The City of Cincinnati at:  
[http://www.choosecincy.com/services/small\\_business\\_loans/microcity\\_loan\\_fund](http://www.choosecincy.com/services/small_business_loans/microcity_loan_fund).
- Greater Cincinnati Microenterprise Initiative, Inc. at: [http://www.gcmi.org/microcity\\_loan.php](http://www.gcmi.org/microcity_loan.php).

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<sup>150</sup> Accessed June, 2012: [http://www.cincinnati-oh.gov/cdap/downloads/cdap\\_pdf40310.pdf](http://www.cincinnati-oh.gov/cdap/downloads/cdap_pdf40310.pdf).

<sup>151</sup> Ibid.

## H. IEDC Staff Biographies

### **Jeff Finkle, CEcD**

President/CEO

IEDC

Whether on a neighborhood or national scale, economic development is a complex, demanding endeavor. It requires financial skills, political acumen and the ability to gauge the social benefit that will result from a given undertaking. Since the late 1970s, Jeffrey A. Finkle has demonstrated mastery of all those skills, applying them worldwide—from his native Ohio to the Far East and most points in between. This experience has made Jeff Finkle a recognized leader and international authority on economic development. As President and CEO of the International Economic Development Council (IEDC), the world's largest economic development membership organization, he contributes his expertise on community revitalization, business development and job creation to projects nationwide. Jeff has established multi-lateral partnerships with regional and national economic development organizations around the world and currently sits on the Consultative Committee of World Association of Investment Promotion Agencies (WAIPA). He has advised on economic development in China, Europe, Latin America, and Oceania. He now serves on the Board of Directors for Climate Prosperity. Inc., a company based on creating important regional economic outcomes -- green savings, green opportunity, and green talent -- while reducing greenhouse gas emissions.

He is also a leader in community service and philanthropy. In 2005, Jeff organized 250 economic development volunteers to work in Gulf Coast communities endeavoring to recover from Hurricane Katrina. He also founded the Bollinger Foundation, a non-profit organization that provides financial assistance to educate and support children who have lost one or more parent who worked in the field of economic development. The foundation to date has awarded approximately \$500,000 in grants. A former Deputy Assistant Secretary in the U.S. Department of Housing and Urban Development, where he oversaw programs such as Community Development Block Grants and Urban Development Action Grants, Jeff writes and lectures frequently about economic development issues and advises Congressional Committees. His vigorous support of the use of eminent domain to promote economic development, upheld by the U.S. Supreme Court, garnered him national media attention, including appearances on CBS Sunday Morning, Fox television and the Journal Report on PBS. With the formation of IEDC in 2001, Jeff set the course for a more effective and influential economic development organization. IEDC resulted from the merger of the Council for Urban Economic Development (CUED), where Jeff was president for 15 years, and the American Economic Development Council (AEDC). Addressing significant financial and organizational challenges, Jeff has grown IEDC to a \$5 million annual operation with 30 employees. IEDC is recognized for its leadership in making sustainable economic development a priority in communities of all sizes and for professionalizing and diversifying the field of economic development.

A past member of the Arlington Virginia Economic Development Commission, he served on its BRAC Task Force in 2005, dealing with issues that directly impacted 4 million square feet of Arlington office space and 17,000 jobs. He sits on the Executive Committee of the Commission.

Jeff maintains a long-standing relationship with Ohio University's Voinovich School for Leadership and Public Affairs and serves on the School's Institute for Local Government Administration and Rural Development Advising Committee, where he regularly participates in programs of direct benefit to Appalachia Ohio. In this capacity, he worked closely with Ohio governors as well as other political and

community leaders throughout the state. He received a Bachelor of Science degree in communications in 1976 from Ohio University in Athens and pursued graduate studies in business administration at Ohio State University.

### **Liz Thorstensen**

Vice President of Knowledge Management & Economic Development Practice  
IEDC

Elizabeth, "Liz", Thorstensen serves as Vice President of Knowledge Management & Economic Development Practice at IEDC where she oversees the development and delivery of IEDC's research, advisory and educational services. She has worked on a variety of technical assistance and research projects related to economic development, with a focus on strategic planning, as well as the intersection of environmental sustainability and economic development. Liz has been a featured webinar and conference speaker for her work related to the green economy.

Additionally, Liz has worked extensively on IEDC's efforts to provide ongoing post disaster, economic recovery assistance to the Gulf Coast region. She served as the project manager for IEDC's grant from the U.S. Economic Development Administration to deliver immediate economic recovery technical assistance to 21 Gulf Coast Communities impacted by the Deepwater Horizon oil spill throughout the summer of 2010.

In 2009, Liz coauthored the Climate Prosperity Handbook, a guide to informing communities of the economic benefits of proactively pursuing sustainable development and climate action strategies. She also was a coauthor of IEDC's recent report on Creating Quality Jobs, and is the project manager and primary author of Getting Prepared: Economic Development in a Transforming Energy Economy, a report that explores how states are preparing for the low-carbon economy. Her current work is examining what states and regions are doing to identify their assets for renewable energy development and the policies they are using to strategically develop the renewable energy industry as both an end goal in itself and as a lever for wider economic development.

Liz earned her bachelor's degree from the University of Maryland in Geography and GIS and holds master's degrees in Urban Planning and Local Economic Development from the University of Illinois Urbana Champaign and the London School of Economics respectively

### **Swati Ghosh**

Director of Research and Technical Assistance  
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Swati Ghosh is the Director of Research and Technical Assistance at the International Economic Development Council and currently manages research for IEDC's in-house think-tank, the Economic Development Research Partners (EDRP) program. She has coauthored several studies on entrepreneurship, workforce development, carbon cap and trade, brownfields redevelopment and sustainability. Swati previously managed IEDC's Weed and Seed grant program from the U.S. Department of Justice (DOJ). Through this program, IEDC provided technical assistance to high-crime Weed and Seed neighborhoods in developing community economic development strategies including two Native American communities: Leech Lake Band of Ojibwe in Minnesota and the Keewanaw Bay Indian Community in Michigan.



Swati has broad experience in local and regional economic development research and consulting for federal and local governments, international donors as well as foundations and private clients. She has successfully developed and carried out projects in a wide variety of economic development areas including workforce development; entrepreneurship and small business development; brownfields revitalization; housing and retail revitalization; marketing; strategic planning; organizational assessments and leadership development; technology transfer; public finance and disaster recovery. Swati has a Masters in Governmental Administration (MGA) and Certificate in Public Finance from the University of Pennsylvania in Philadelphia. She obtained her Bachelors in Urban Planning from the School of Planning and Architecture in New Delhi, India.

**Christopher Girdwood**

Economic Development Consultant  
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Chris developed and managed the International Economic Development Council's (IEDC) professional development training courses from 2008 to 2011. He regularly interviewed public and private sector economic developers, utility managers, financial consultants and workforce developers to revise the course content and incorporate cases studies. Chris also served as lead content editor for IEDC's training course manuals (e.g., entrepreneurship, business retention and expansion, strategic planning, marketing and attraction, real estate development and etc.). He was an author for several deliverables in IEDC's consulting and technical assistance department, which analyzes U.S. regions to understand what strategies, entities, resources and policies work together to yield high quality jobs.

Prior to joining IEDC, Chris spent over two years working for the U.S. Department of Defense where he proudly supported the war-fighter in Operation Iraqi Freedom and Enduring Freedom. Chris has received a MUP from the University of Michigan, a BA in Economics from Michigan State University and an Accounting Certificate from Kellogg Community College. Chris has also taken a number of courses from the Defense Acquisition University. He has a deep interest in continuing his education and he is currently studying mathematics.