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Behind the deal: What made New Braunfels attractive to a multimillion dollar automotive plant

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New Braunfels Mayor [Barron Casteel](#) didn't know what he was getting into when he first received word that a multi-million dollar project wanted to move to town.

Casteel and other city leaders were informed by the Texas governor's office in late 2018 that an unnamed company was considering the growing city as a possible location for a new facility. That company turned out to be [Continental Automotive](#), which [announced Thursday](#) that it was building a \$110 million, 500 plus-job plant on the north side of New Braunfels.

Before any announcement, government officials and company leaders spent over a year hammering out the details of the city and county incentive packages that brought Continental to town.

[Ryan French](#), the project manager for the new factory, said the company started looking to build a new plant as early as Nov. 2018. Continental already has a location in nearby Seguin but that plant, which employs 1,500, was growing too fast to continue containing the company's production of advanced driver assistance systems. The systems, like blind spot detection and automated braking technology, are a fast-growing line of business for the German automaker, which has its U.S. headquarters in Michigan.

But Casteel didn't know any of that when he first received word of the project.

"I will tell you that initially we get referred by the governor's office and those referrals come with a coded name so we don't know who the corporation is," the mayor told the Business Journal.

The referrals are presented in the form of a questionnaire, with the business asking about land and workforce availability and the city, in turn, asking its own questions about job opportunities, payroll and utility usage.

"We're not interested in a large water user," Casteel said. "We're not going to just not incentivize, we are actively going to ask them not to locate here."



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Canadian manufacturer CGT U.S. Ltd. is another major manufacturer located in New Braunfels.

Continental considered other locations within and outside of Texas, including locations abroad, French said. He didn't name those locations but Casteel said he understood the company was considering putting the factory in Mexico.

In the end, French wanted to keep his Seguin-based team in tact. The 450 individuals that work on advanced driver assistance systems in Seguin now only have to travel 15 miles up the road to their new office, once construction is complete in 2021. The transition to the new locations will take place over a two year period and Continental will spend five years hiring the other 130 workers it needs to run the plant, French said.

"One of the main factors we looked for was retaining the talented workforce," he said. "So being a little closer to current plant was a good option."

New Braunfels also had the land necessary to build a 215,000 square foot factory.

Though once a textile powerhouse, the city's manufacturing industry was practically dead in the water once the last mill closed in the mid-2000s. That changed in 2016, when it was announced that Canadian manufacturer CGT U.S. Ltd. was moving into town. That factory now sits on what used to be a grain field, paying the city hundreds of dollars in taxes every year, Casteel said. Now it contributes millions in income to the hundreds of workers in its factory.

The mayor hopes this new renaissance for the manufacturing sector will stick around.

"The textile mills shut down after 100 years—companies come and go," he said. "So we're excited to be with Continental at the beginning of what we know to be a long term relationship... they're at the forefront of driverless technology."

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