



DESTINATION - BOERNE, TEXAS
Planning For Growth While Maintaining Our Unique Identity



Economic Development Staff

Ron Bowman, City Manager

Jeff Thompson, Deputy City Manager and Director of Economic Development

Linda Zartler, Assistant City Manager

Kirsten Cohoon, City Attorney

Chris Turk, Planning and Community Services Director

Ryan Bass, Resource Conservation and Economic Development Coordinator

Paul Barwick, Special Projects Director

Larry Woods, Convention and Visitors Bureau Director

Susan Cole, Assistant to the Deputy City Manager and City Attorney

Boerne City Council Members

Mike Schultz, Mayor

Jeff Haberstroh, District 1

Nina Woolard, District 2

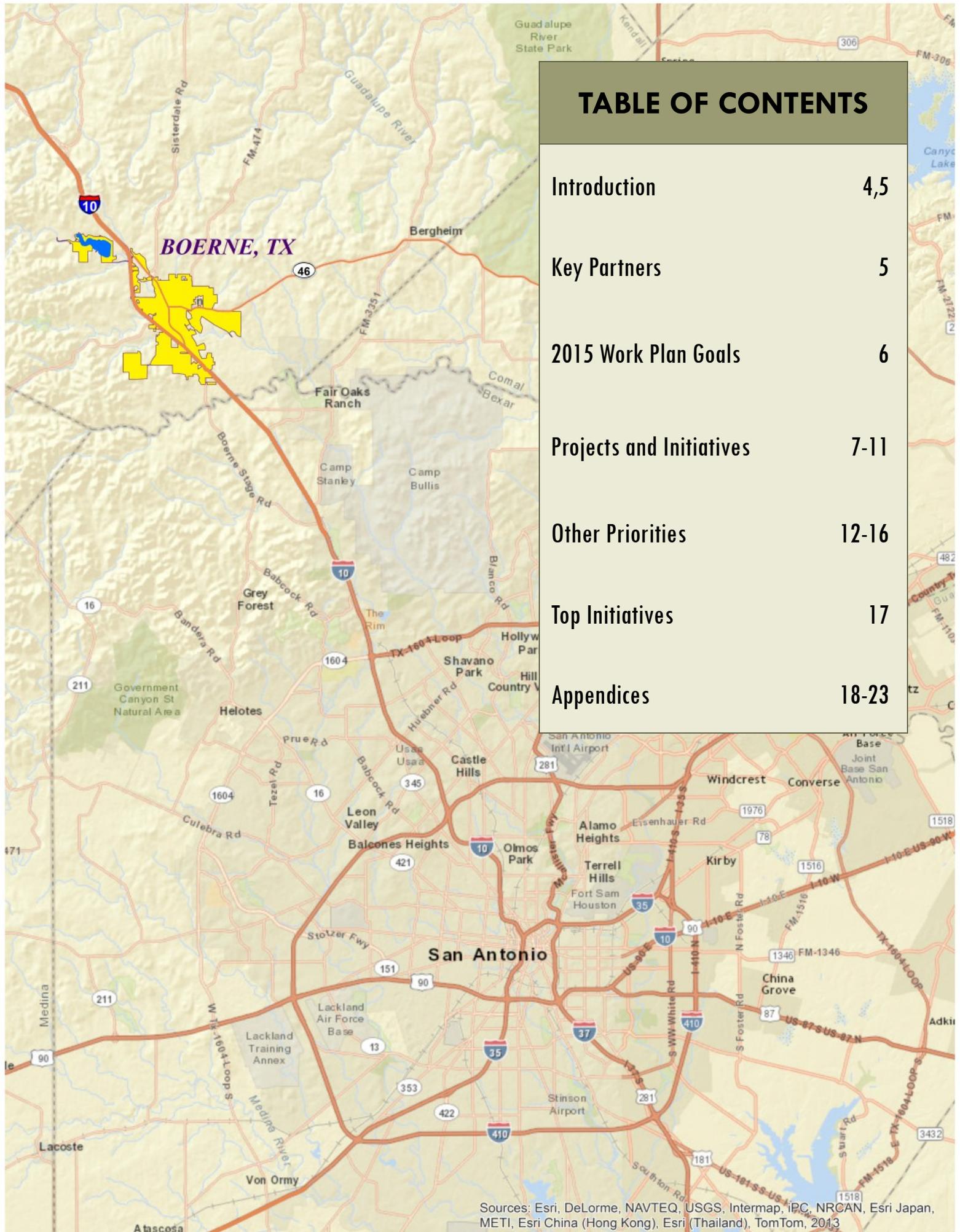
Charlie Boyd, IV, District 3

Ron Cisneros, District 4

Christina Bergmann, District 5

TABLE OF CONTENTS

Introduction	4,5
Key Partners	5
2015 Work Plan Goals	6
Projects and Initiatives	7-11
Other Priorities	12-16
Top Initiatives	17
Appendices	18-23



Sources: Esri, DeLorme, NAVTEQ, USGS, Intermap, iPC, NRCAN, Esri Japan, METI, Esri China (Hong Kong), Esri (Thailand), TomTom, 2013

Introduction

The momentum which continued to escalate during implementation of the 2014 City of Boerne Economic Development Work Plan continues as the City moves into its third year of specific, targeted areas of focus in economic development. With both commercial and residential development up markedly over the past several years, the City will continue to strive for a balanced and managed growth strategy. Enhancing quality of life, being good stewards of the community's natural resources and maintaining Boerne's unique identity remain at the forefront of every decision the City makes in regards to economic development.

Economic Development Incentive Agreements ("380 Agreements") have been utilized strategically throughout the last few years to assist in the expansion of utility services as well as our commercial ad valorem and sales tax base. Specific agreements completed over the past year include Oil Filtration Systems, Nissan of Boerne and Boerne Hollow (DR Horton). Acquiring gas utility customers in areas where the City of Boerne is not the electric utility provider has been a specific focus and an activity that the City will continue to pursue. The City will also work to expand its customer base for sewer services in order to provide additional revenue to pay for the new Wastewater Treatment and Recycling Center.

In past work plans the North Industrial Business Park was identified as a priority area for the expansion of sewer and gas utilities. In 2014 the City of Boerne partnered with Environmental Fuel Systems (Chapman Engineering) and Texas

Star Nut and Food Company in utilizing a Texas Capital Fund Grant provided by the Texas Department of Agriculture to extend sewer service to businesses located within the North Industrial Park. This utility service extension provides an opportunity for growth in North Boerne and will allow existing businesses to expand helping to meet business retention goals.



Introduction

There are several projects currently in progress which reach beyond the expansion of water, sewer and gas utilities to include reuse water. Both the Esperanza and Ranches at Creekside developments have not only agreed to utilize Boerne natural gas utilities, but also incorporate the distribution of reuse water for landscape irrigation purposes. Providing reuse water service to these developments will result in this utility being available to approximately 3,350 home sites, which represents approximately 60% of new residential construction presently underway or in the planning phase within Boerne. The reuse water element will assist in local water conservation efforts and the goal of maximizing existing water resources as the City grows. City staff will continue to seek opportunities which specifically target the recruitment of high quality utility customers and achieve commercial tax base growth set out in this plan.

Key Partners

As the City works to ensure strategic and managed growth occurs through 2015 and beyond, we will work closely with key partners including the Boerne Kendall County Economic Development Corporation, Kendall County, the Greater Boerne Chamber of Commerce and the Boerne Independent School District to determine needs within the community. In an effort to assist us in accomplishing this goal, Catalyst Commercial was hired by the Boerne Kendall County Economic Development Corporation with funding from the City's economic development fund to perform a retail evaluation which will be used in targeting new retail and coordination of meetings with potential developers. Other key partners in the area of economic development include the Texas Department of Transportation and the Alamo Area Metropolitan Planning Organization (formerly the San Antonio-Bexar County Metropolitan Planning Organization).



2015 Work Plan Goals

Goals for the 2015 Economic Development Work Plan are as follows:

- Seek and encourage quality economic development projects that promote financial growth and improve quality of life as well as projects which preserve or enhance the character, natural resources and identity of Boerne.
- Continue initiatives outlined in prior economic development Work Plans and use of return on investment (ROI) based analysis to guide implementation of the City's Economic Development Goals.
- Increase the City's sales tax, hotel/motel tax, and ad valorem tax revenues with a focus on the balance of commercial versus residential tax base.
- Increase the City's utility revenues and margins with a focus on adding sewer customers, growing gas system sales and customer base, focusing on in-fill development to improve efficiency and financial stability of the electric system, and utilize the reuse water system and water conservation to expand and maximize the City's water resources.
- Seek home inventory diversity which covers a full array of community needs to include workforce housing.
- Seek development which brings quality jobs to Boerne.

City staff is currently revising the Guidelines utilized in determining which development projects are eligible to receive incentives through 380 agreements and to what extent. Along with a financial return on investment, it is important to continue to work towards encouraging businesses which meet the needs of the community, decrease sales tax leakage, and compliment current businesses, especially those in the downtown center. The revised Guidelines will be put in place as an initiative of the 2015 Work Plan.



Work Plan Projects and Initiatives

Specific projects and initiatives which the City will be working on over the next Fiscal Year include the following:

Financial Growth And Retention

- Catalyst study completion - Turn results of the study, once received, into an action plan for targeting Boerne development strategies including contacts/prospects, and preparation for attending International Council of Shopping Centers- Dallas to include schedule of meetings with potential developers and businesses.
- Utilize Boerne assets for leveraging targeted development including: quality of life, unique identity, Boerne Independent School District as a destination school district with both high schools having been most recently named among the top 500 public schools in the country by Newsweek, and our proximity to San Antonio. We will also utilize our recent partnership with GVTC, Bulverde and Gonzales to promote Boerne as part of the GigaRegion with high speed communications (up to 1 gigabit) available as of September 29, 2014 to attract and retain businesses requiring high-speed internet access. The City believes that access to high speed internet *immediately* is a differentiator in attracting certain types of business ventures giving Boerne the ability to compete with Austin and San Antonio for those entities.
- Retain or improve high quality of life and community identity during period of rapid growth, and potential over-utilization of public services (parks, library, roadways).
- Downtown/Hill Country Mile - Refine vision, marketing strategy, establish business targets: live-work-play concept in downtown and in Project 500 area.
- Business retention and expansion program – Coordinated meetings and unified mission with City of Boerne, Boerne Kendall County Economic Development Corporation and Greater Boerne Chamber of Commerce; follow up phone/email program for more frequent contact.
- Continue work on fourteen active home development projects with focus on expansion of gas utility, addition of sewer customers, and efficient use of water supply through conservation efforts and expansion of the reuse water utility.
- Seek in-fill projects for electric utility growth.

Work Plan Projects and Initiatives

WATER CONSERVATION, REUSE WATER UTILITY, AND WATER 2035 PLAN

The conservation and management of existing water resources is an important component to the City's long-term economic success. In 2014, the City initiated outreach and education efforts to encourage water conservation with a goal of reducing overall use during periods of peak demand. Smoothing peak demands allows for better stewardship of water resources as well as creating opportunities for economic growth that would otherwise not be possible without the addition of new and/or high cost water distribution projects, such as the expansion of water treatment capabilities at Boerne City Lake. To assist with conservation efforts, the City is working to utilize and expand its new reuse water distribution system and develop water conservation incentives for consideration by the City Council in 2015.

Short-term economic benefits to conservation will be realized through shaving peak water consumption, maintaining or minimizing increases to the current Guadalupe Blanco River Authority (GBRA) water purchase volumes and eliminating the need to secure additional groundwater.

The City will:

- Promote water conservation techniques and the protection of water quality throughout the Upper Cibolo Creek Watershed. These programs will primarily focus on Boerne water utility customers and water users within the City's Extra Territorial Jurisdiction.
- Continue participation in the Texas Water Smart Program encouraging efficient use of landscape irrigation for both residential and commercial properties.
- Promote the use of non-potable reuse water. Reuse water will primarily be utilized for landscape irrigation and will reduce the impact on local potable water resources.
- Propose an incentive program for the installation of rainwater harvesting systems, irrigation system upgrades/adjustments and the use of various low flow, water conservation devices.

The City Manager has created a new initiative for Fiscal Year 2015 to begin study and planning for Boerne's water needs beyond its current capacity of approximately 35,000 residents. The *Water 2035 Plan* will explore potential sources of new water supply with both current partners (GBRA) and potential new ones (San Antonio Water Systems). Also, analysis of Boerne's role and scope in providing water to the area will be determined to establish parameters for future water supply decisions.

PROJECT 500

Project 500 refers to an area located on the East and West side of Highway 87/Main Street which is the location for an anticipated 500,000 square feet of retail space once developed. The area contains 156 acres and is a combination of four individually owned properties. These sites are expected to be primed for development once accessibility is improved. The IH10 Frontage Road Project and Herff Road Project are expected to create the confluence of mobility and hard corners to serve as the major catalyst for development of this area. A map of the area is detailed on Page 10 and below are action items which relate directly to this project.

- Identify and contact potential developer(s) utilizing Catalyst report information and contacts.
- Christus Santa Rosa tract – Maintain contact for updates, opportunity to participate/assist with development of Christus property on new frontage road utilizing Citizen Advisory Committee for Planning and Destination Development concepts.
- Calder and Harpole tracts – Create community vision of land use, design and implementation utilizing Citizen Advisory Committee for Planning and Destination Development concepts. Seek opportunities to participate/assist with development.
- Miller tract - Create community vision of land use, design and implementation utilizing Citizen Advisory Committee for Planning and Destination Development concepts. Seek opportunities to participate/assist with development.
- Completion of roadway projects – Improvements and extension of Herff Road and IH 10 Frontage Road projects will have direct impact.

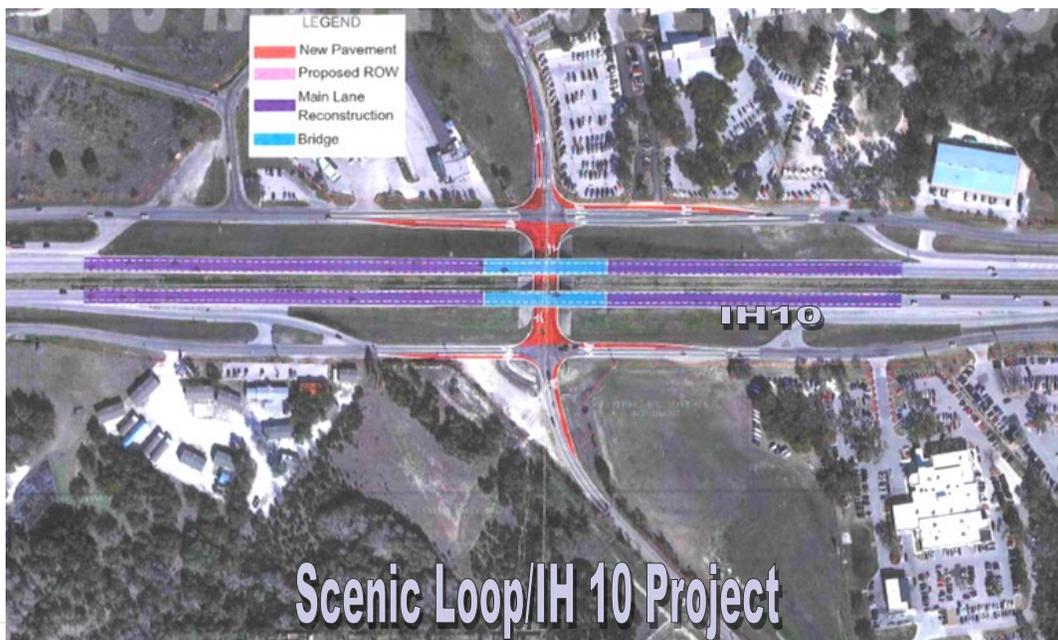


Work Plan Projects and Initiatives

ROADWAY AND MOBILITY PROJECTS

Project 500 will be spurred by the improvements and extension of Herff Road and the IH10 Frontage Road projects as stated in the prior section. There are other major roadway projects which, once completed, will alleviate current bottlenecks and/or vastly improve mobility around Boerne's business and educational centers.

- Herff Road improvements and extension to Highway 87/Main Street – Completion of Phase I (improvements) projected by Kendall County for mid-2015 and start of Phase II (extension to Main Street) for completion in 2016 (Cost \$10M).
- IH 10 Frontage Road – Project bid opening was completed on September 11, 2014 to be awarded for completion in 2015 (Cost \$3.7M).
- Highway 46 expansion/enhancement from Herff Road to Charger Boulevard –Texas Department of Transportation (Cost \$1.1M).
- Scenic Loop/IH 10 expansion and improvements – Alamo Area Metropolitan Planning Organization approved \$10m project for 2016-19 funding; secure City and County funding of \$550,000 each and promote project for earliest possible start date (Cost \$10M).
- School Street resurfacing and improvements – improve existing roadway surfaces and curbing in Fiscal Year (Cost \$500K).



Other Priorities

Along with the projects and initiatives listed in previous sections, the City will continue to work on the following priorities which all encompass very important aspects of economic development.

HIGHWAY 87/MAIN STREET NORTH DEVELOPMENT INCLUDING INDUSTRIAL PARK

- Continue process for Texas Department of Agriculture Grant Project to bring sewer utility service to Environmental Fuel Systems (Chapman Engineering) and Texas Star Nut and Food Company.
- Plan and install sewer service throughout Industrial Park as budget allows.
- Albin Property Development (67 acres)– Continue to seek viable development opportunities for this site.
- M&K Investment Property Development (28 Acres) – Continue to seek viable development opportunities for this site.
- Analyze concept of having a new City Hall facility on the Civic Campus site as an impetus for economic development north of Blanco Road.

WORKFORCE HOUSING

Continued focus on housing needs defining term and determining actionable plan and targets. Currently in Boerne, the issue of workforce housing is primarily addressed by apartment complexes. In a recent study, the occupancy rates in Boerne were at 99.5% with waiting lists at most complexes.

DOWNTOWN AND HILL COUNTRY MILE VISION

Improvements will continue to make Boerne's historic downtown a more inviting, walkable and vibrant destination for visitors and residents alike. Recently, the US 87 bridge widening of both travel lanes and sidewalk was completed. Soon to be completed within the River South Arts District are the much anticipated Phase I Improvements to Veterans Plaza scheduled for dedication on Veterans Day 2014. Matching grants for the Historic District Restoration Program have been gaining greater awareness and utilization and will continue to motivate downtown property owners to repair and expand the use of these commercial properties. Continued reinvestment in this zone will promote future infill development and provide the setting for a live/work/play environment to take root while enhancing the quality of place, diversifying land use and strengthening the economic vitality of downtown.



HILL COUNTRY MILE MARKETING

In collaboration with the Convention and Visitors Bureau (CVB), the Hill Country Mile is being marketed through a variety of media outlets including the new Boerne Visitors Guide, San Antonio Convention and Visitors Bureau's In-room directory with a circulation of 500,000, and San Antonio Guide/Map for rack card placement with a circulation of 500,000. More attention and time has been allocated for posting on the Hill Country Mile Facebook page for events and notices that support local business and activities. The CVB will be assisting the development of a stand-alone Hill Country Mile website, as currently it has a single webpage on the CVB website.

DOWNTOWN BUSINESS SUPPORT

Staff will continue working with property and business owners within the Hill Country Mile to assist with retail space expansion, infill development and introduction of additional services. The recent creation of the River South Art & Design Center and improvements to Veterans Plaza has begun a strengthening in the identity and attraction of the River South Arts and Design District.

DOWNTOWN BUSINESS COMMUNITY ASSOCIATION

Successful communities often work to ensure local business and tourism goals coincide to promote overall economic development. With a vibrant Main Street atmosphere, the City is uniquely positioned to accomplish this task. The following items are planned to ensure our Main Street community is positioned for retail success. The City will work with the Greater Boerne Chamber of Commerce and the CVB to collaborate with the recently established Retail Business Committee, part of the Chambers Business Advisory Council, to ensure the promotion and development of an inviting, safe, entertaining, pedestrian-friendly business environment that will attract and retain small businesses. The work group will explore topics such as curb appeal, construction/maintenance projects, marketing and advertising, holiday events and promotions, possible extension of business hours along Main Street to ensure residents and tourists take advantage of local shopping opportunities.

DOWNTOWN PLANNING INITIATIVES

Staff is pursuing grant funding to develop a connection between the Heart of Boerne Trail along the Cibolo with the US 87/Cibolo Creek bridge to enhance downtown pedestrian mobility.

Other Priorities

Staff will begin the feasibility of a downtown way finding system to assist visitors and promote the unique cultural heritage and natural amenities of the community.

MAIN STREET TURNBACK PROGRAM

Create “SWOT” analysis (strengths, weaknesses, opportunities, threats) of pros and cons of Main Street turn back from the Texas Department of Transportation to include which roadway sections are to be considered, update maintenance cost analysis, traffic pattern study and projection.

INCENTIVES FOR DOWNTOWN REVITALIZATION

In Fiscal Year 2013-14, seven (7) Historic District Restoration Program Grants were awarded totaling \$32,000. This year \$35,000 is budgeted to continue with revitalization of downtown and staff will proceed with exploring the possible expansion of reimbursement grants through 380 agreements, program requirements for the recently adopted State Historic Preservation Tax Credit.

PATRICK HEATH PUBLIC LIBRARY – AMPHITHEATER AND RESTROOM

The Boerne Public Library Foundation has secured grant funding from the Majestic Ranch Arts Foundation and a bequest to fund the design and construction of a 250-300 person amphitheater and public restroom for the Patrick Heath Public Library. Design is underway and construction will be completed this fiscal year. This additional venue will provide the opportunity for unique and intimate gatherings for musical and theatrical events as well as a facility rental revenue source for weddings/receptions and other private gatherings.



STATE HIGHWAY 46 EAST AND HILL COUNTRY MILE GATEWAYS

The construction of one community gateway element will occur this fiscal year. This gateway feature will be a railroad-themed water tank near the intersection of State Highway 46 and City Park Road.

PUBLIC ART COLLECTION/COMPETITION

In Fiscal Year 13-14, two (2) additional bronze sculptures were added to the municipal public art collection which included life-size work of Wild Bill Hickok installed on Main Plaza and Land of the Cheyenne placed along the Heart of Boerne Trail. The gift of a sculpture for the Patrick Heath Public Library in conjunction with the construction of the amphitheater has been pledged by the Majestic Ranch Arts Foundation, along with a bronze Boy Scout sculpture by the combined efforts of local area troops provided an installation site is secured. Another public art opportunity exists on the US 87 bridge railing pilasters that were constructed to receive future public art panels. A public art fund of \$50,000 has been established in the fiscal year 2014 budget for use in purchasing and installation of acquisitions added to the City's public art collection with a goal of adding at least one new piece per year.

DICKENS ON MAIN AND CHRISTMAS/HOLIDAY DECORATIONS

The City is the host of *Dickens on Main 2014*. This year's single weekend event is being developed to utilize increased marketing and social media outlets to promote tourism, shopping, and dining as we continue to reimagine and energize this annual event. Additional Christmas decorations and lights will be strategically purchased as needed to enhance the downtown holiday experience.



PARKS-BASED TOURISM

The City of Boerne's Parks and Recreation Department strives to provide a wide array of programs and recreational opportunities for all ages. Boerne City Lake attracts tens of thousands of visitors from outside of Kendall County each year to swim, boat, and fish. The baseball fields, soccer complex, and skatepark all provide opportunities to host competitions that attract out of area participants and their families to the City. The skatepark which opened in July of 2010, has gained popularity with the skateboarding community and is considered one of the most "real street" skateparks in the State and has hosted several prominent competitions, as Northrup Park has with softball and baseball tournaments.

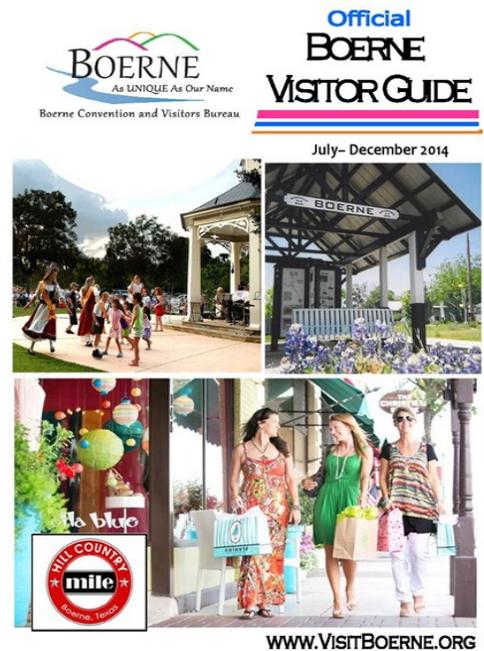
Other Priorities

Our Main Plaza is host to dozens of events every year from the monthly Market Days, to a variety of car shows, concerts, and movie nights. All of these things combined with an amazing quality of life for the people who call Boerne their home make Boerne Parks and Recreation an integral player in the economic success of the City.

MARKETING BOERNE PLAN

The Convention and Visitors Bureau will annually execute a comprehensive Strategic Marketing Plan focused on increasing hotel occupancy and hotel tax revenue. The City of Boerne has created a Convention and Visitors Bureau Strategic Marketing Plan for this purpose.

In addition to marketing Boerne as a tourist destination, the Boerne Convention and Visitors Bureau may assist in the identification of areas or methods to market Boerne as a preferred location for business or residential relocation. When appropriate, the Convention and Visitors Bureau will convey a Live – Work - Play style message in their advertising.



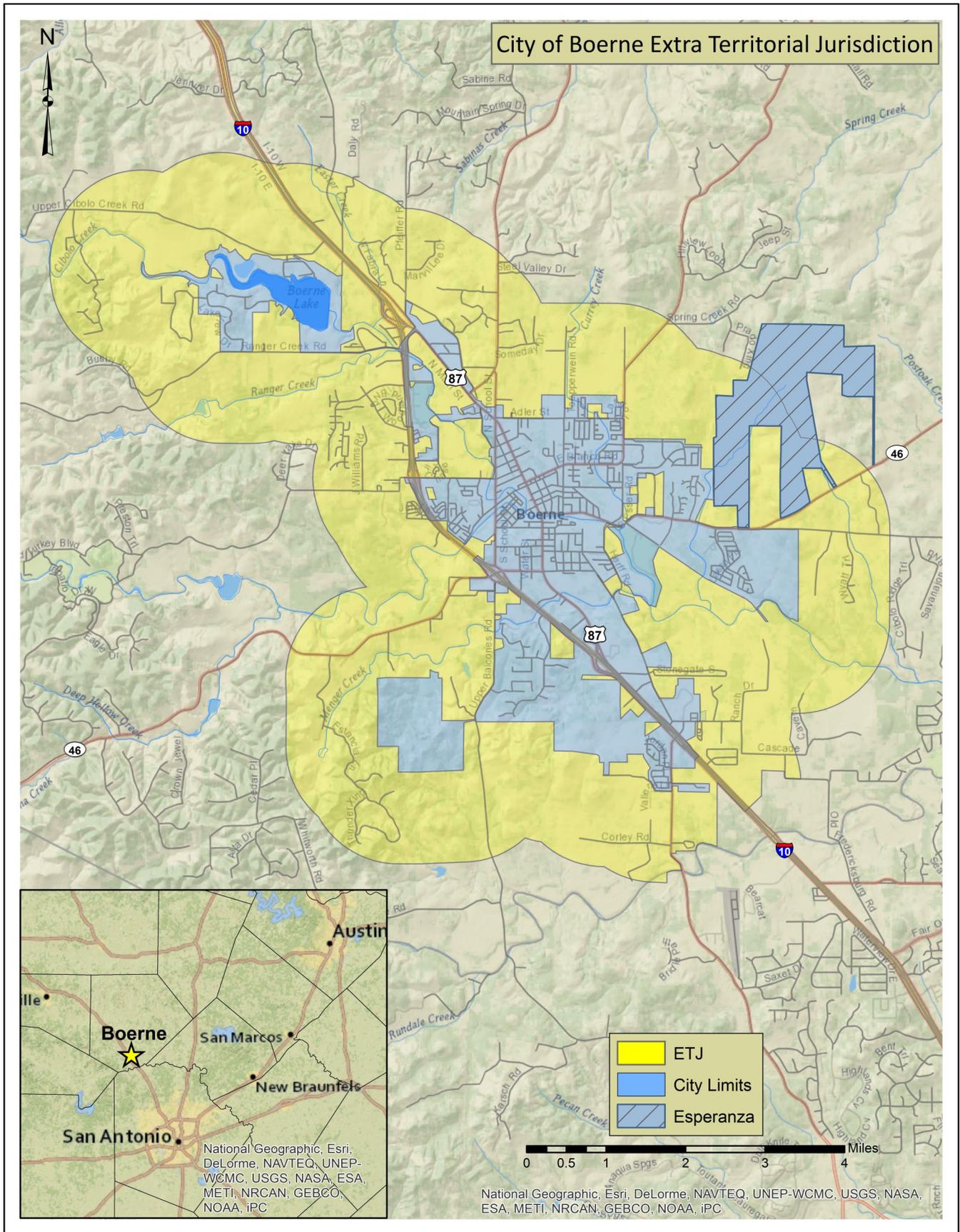
DEVELOPMENT OF STAFF AND ECONOMIC DEVELOPMENT RESOURCES

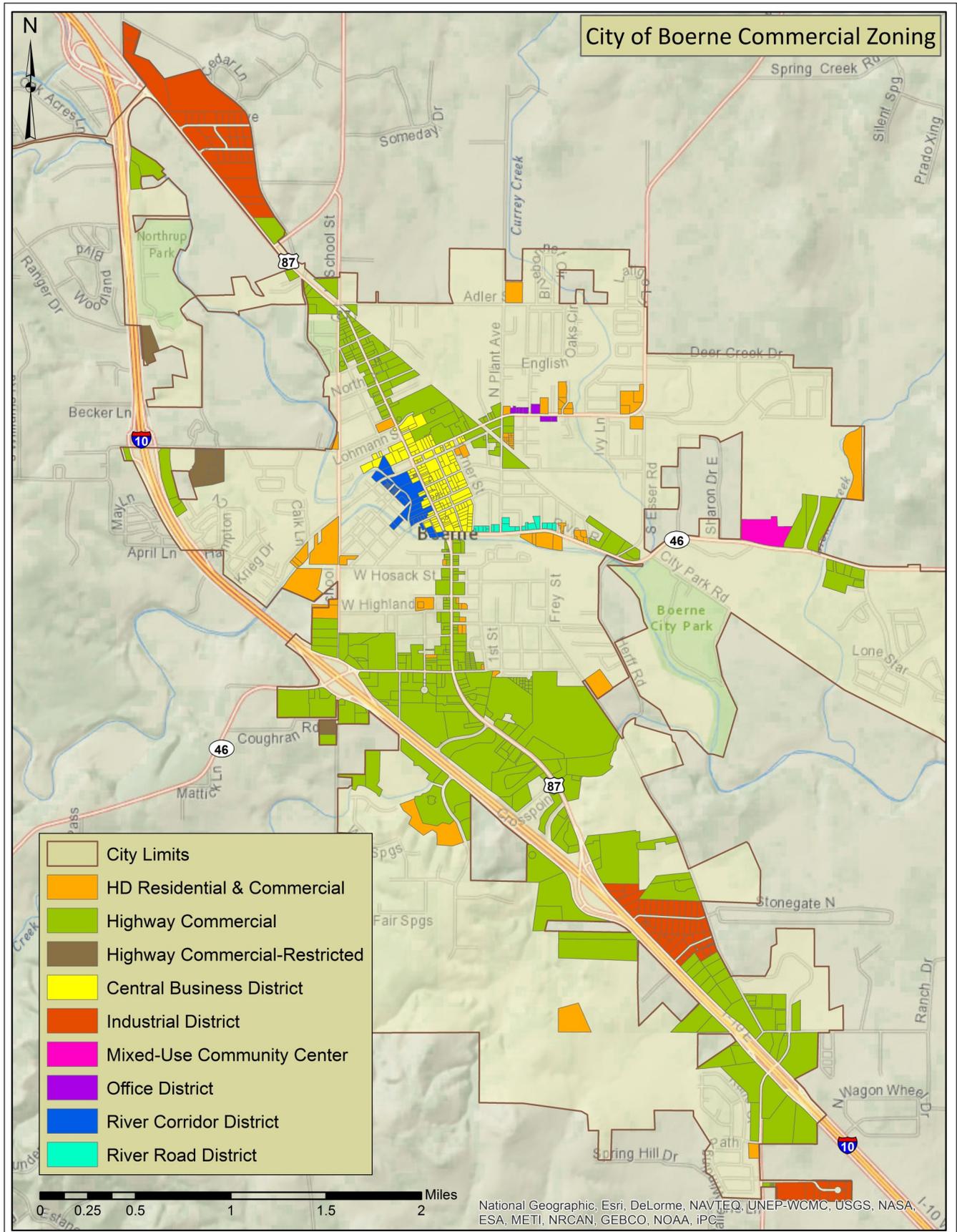
- Upgrade Development Map to include roadway projects and online availability/access.
- Coordination of development sites between City of Boerne and Boerne Kendall County Economic Development Corporation and online availability.
- Budget for and attain staff professional training and attendance at relevant conferences including International Council of Shopping Center-Dallas and Texas Economic Development Council Annual Conference.
- Chapter 380 Policy - Conduct review of and make amendments as appropriate.

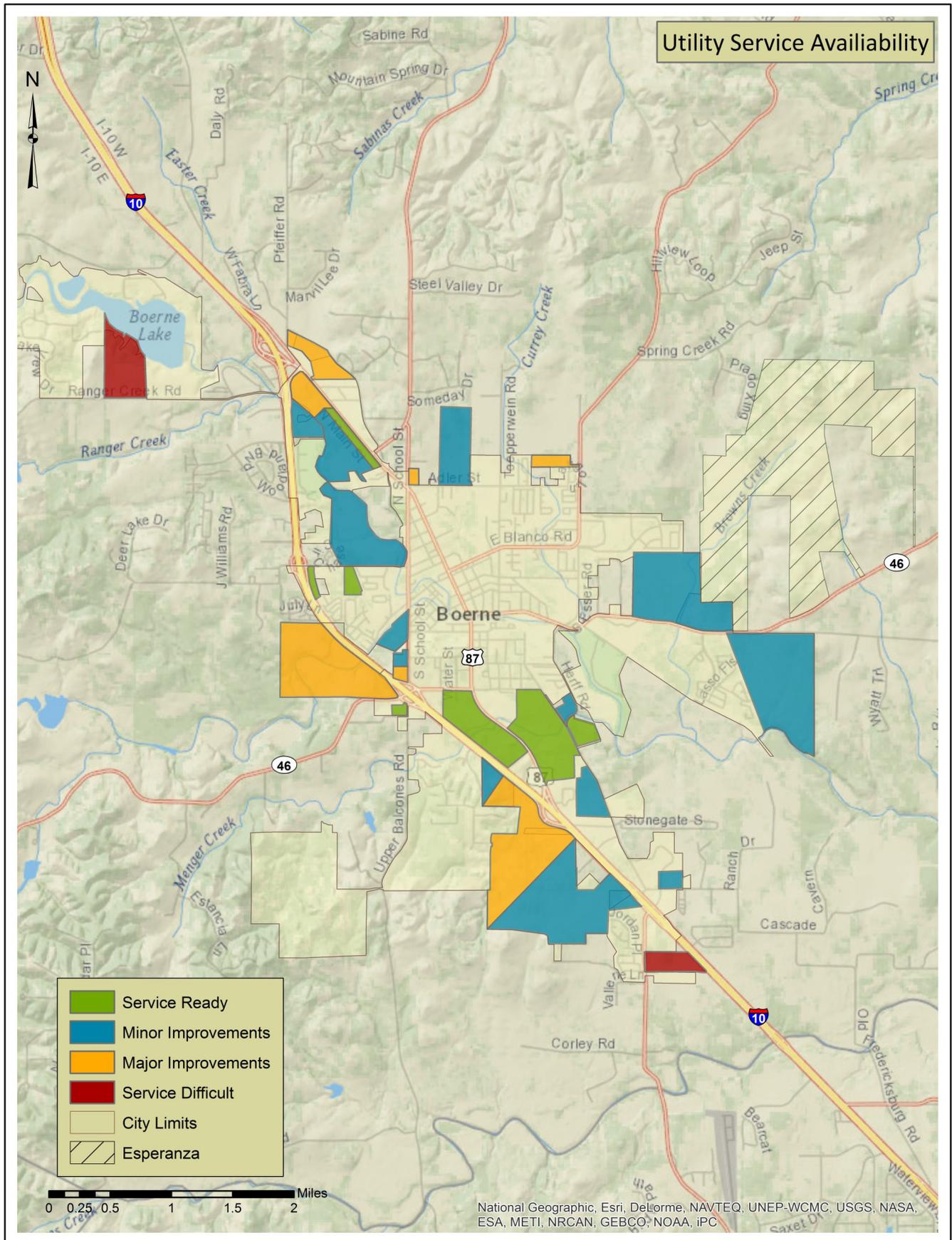
Top Initiatives for 2015 Economic Development

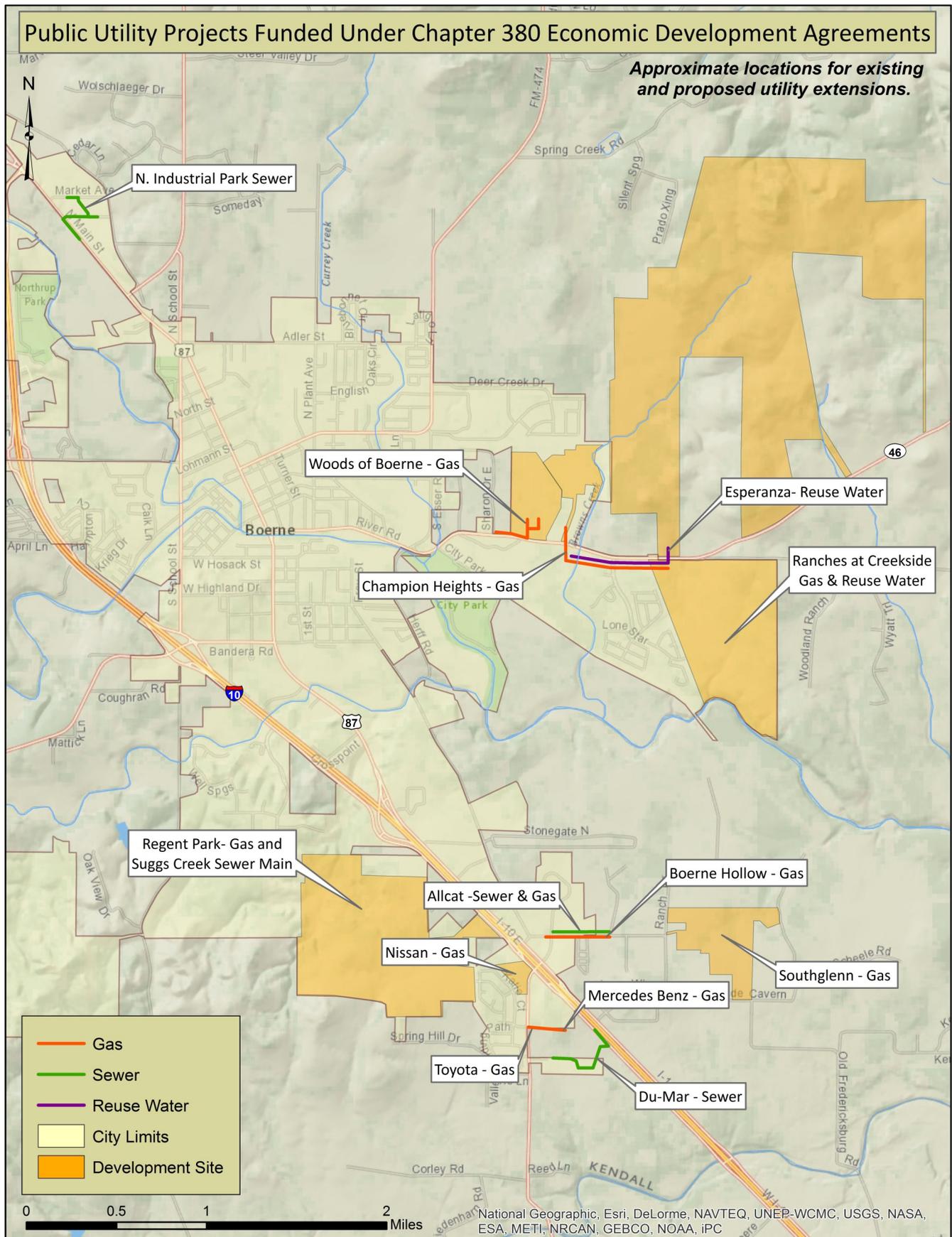
As the City continues to grow, the challenges we are faced with become more defined. As the new Fiscal Year begins on October 1st and the 2015 Economic Development Work Plan takes effect, the following are the top initiatives which will guide our activities over the next twelve months.

1. Completion of Herff Road Project.
2. Completion of IH10 Frontage Road Project.
3. Completion and implementation of Catalyst Study developing targets and action plan to include the Project 500 area.
4. Ongoing Hill Country Mile initiatives with assurance that Project 500 does not conflict with these efforts.
5. Completion of sewer mains and service to the North Industrial Park.
6. Seek and encourage projects which provide for home diversity to include workforce housing.
7. Utilize GigaRegion as a differentiator in economic development discussions and negotiations.
8. Coordinate business retention and expansion program with Boerne Kendall County Economic Development Corporation and the Greater Boerne Chamber of Commerce.
9. Encourage gas and sewer customer growth as well as electric infill projects.
10. Create Water 2035 Plan and continue to leverage reuse water system for expansion of potable water system.



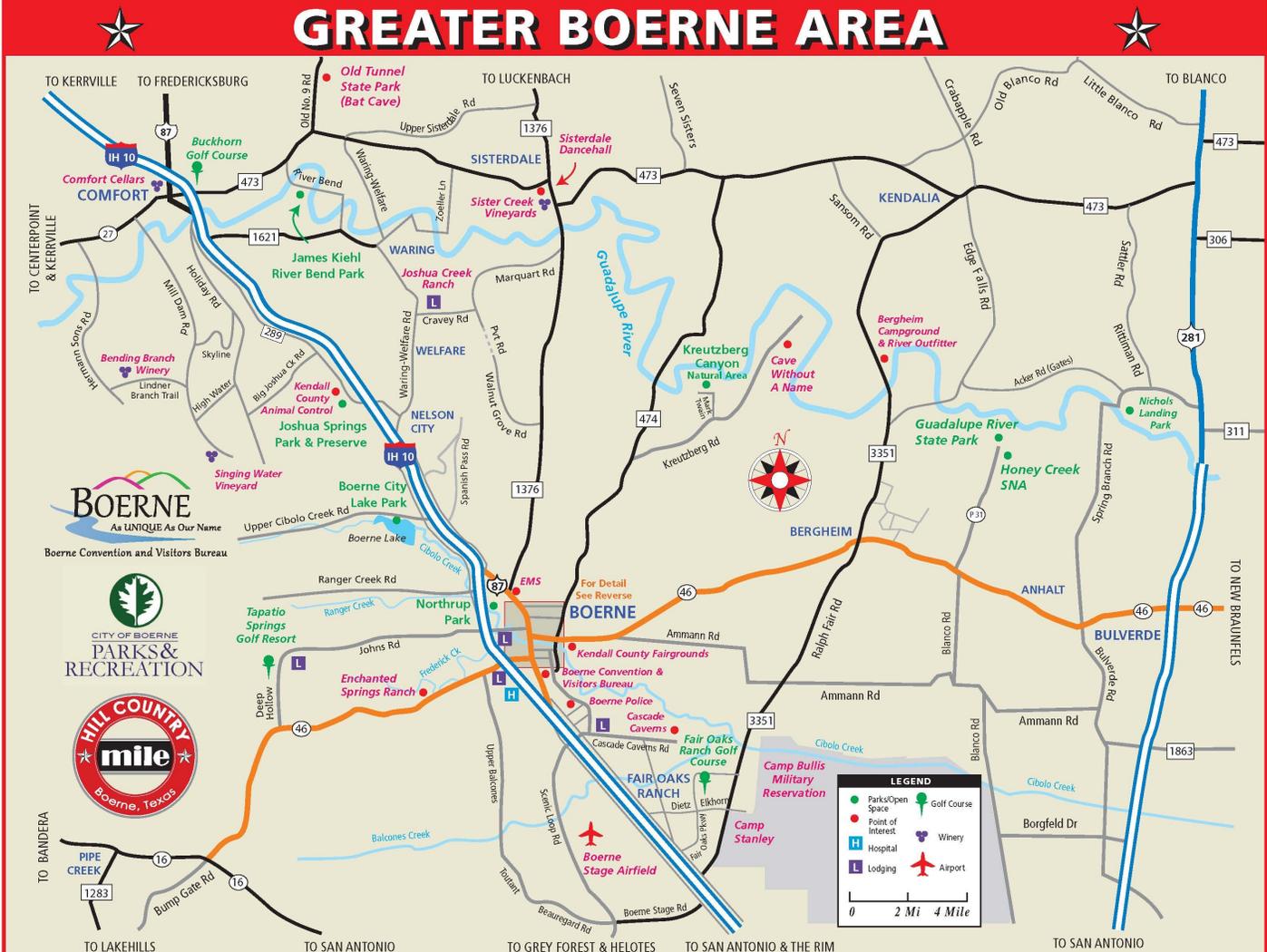






UTILITY CUSTOMER GROWTH PROJECTION

DEVELOPMENT	ELECTRIC	GAS	WATER	WASTEWATER	REUSE WATER	YEAR PROJECTED FOR FULL BUILDOUT
Boerne Hollow	0	50	50	50	0	2016
Bristow of Upper Balcones	0	0	31	31	0	2020
Champion Heights	200	200	200	200	10	2021
Esperanza	0	2480	2480	2480	2480	2026
Isbell Ranch	0	0	225	0	0	2026
Menger Springs	50	30	107	0	0	2021
Ranches @ Creekside	0	898	898	898	898	2026
Regent Park	0	880	880	880	0	2021
Saddlehorn	0	0	81	81	0	2021
Southglen	0	324	324	324	0	2021
Trails of Herff Ranch	0	263	263	263	0	2023
Woods of Boerne	242	242	242	242	0	2019
Woods of Frederick Creek	83	0	83	83	0	2018
Woodside Village	22	0	22	22	0	2016
Various Development/Infill Lots	208	104	208	208	0	
PROJECTED GROWTH	805	5471	6094	5762	3388	
CURRENT CUSTOMER COUNT	5054	1561	5071	4825	0	
PROJECTED CUSTOMER COUNT	5859	7032	11165	10587	3388	
PROJECTED GROWTH PERCENTAGE	15.9%	350.5%	120.2%	119.4%	N/A	



Contact the Economic Development Department of the City of Boerne
at (830) 248-1527