

ECONOMIC DEVELOPMENT

CITY OF BOERNE WORK PLAN

OCTOBER 2017



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KEY PARTNERS

As the City continues to work towards ensuring thoughtful, strategic and managed growth through 2017 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. Other key partners in the area of economic development include the Texas Department of Transportation, Alamo Area Metropolitan Planning Organization, San Antonio Water System, CPS Energy, GVTC and Guadalupe-Blanco River Authority.



GUIDING PRINCIPLES FOR ECONOMIC DEVELOPMENT

Our goal as it relates to economic development has always been to maintain the character and uniqueness of the community. With concerns about growth being at the forefront of everyone's mind, we continue to work to preserve the many aspects of the local landscape including the Historic Downtown area and Hill Country Mile, the newly expanded trail systems and entry corridors/Gateways to the City.

- ✓ Seek and encourage quality economic development to include financial growth and quality of life balanced projects which preserve or enhance the character, natural resources, destination drivers, and identity of Boerne
- ✓ Increase sales tax, hotel/motel tax, and ad valorem tax revenues with a focus on the balance of commercial versus residential tax base
- ✓ Increase utility revenues and margins with a focus on adding wastewater treatment customers, growing gas system customer base and sales, utilizing the reclaimed water utility to achieve water system efficiencies to expand and maximize the City's water resources, and focus on in-fill development for overall efficiency and financial stability of the electric system
- ✓ Use return on investment (ROI) based analysis on implementation of the City's Economic Development Guidelines and 380 Agreement proposals
- ✓ Seek business development, retention, and expansion that meets the needs of the community, decreases sales tax leakage, and compliments current businesses with a special focus on the Downtown/Hill Country Mile area
- ✓ Seek home inventory diversity which covers an array of community needs
- ✓ Seek development in identified target group and provide for high quality jobs
- ✓ Coordinate economic development efforts with the Boerne Kendall County Economic Development Corporation (BKCEDC) to best leverage the knowledge, skills and abilities of the economic development staff at each organization
- ✓ Utilize Boerne assets for leveraging targeted development - Quality of life, highly regarded school system, Proximity to San Antonio, GigaRegion and access to high speed, fiber internet services
- ✓ Retain and/or improve quality of life and unique community identity during periods of rapid growth

The 2017 City of Boerne Economic Development Work Plan is the fifth such document since the City determined it would bring greater emphasis on the subject in an attempt to encourage quality growth to positively impact its financial future. As most economic development efforts span years and take time to be implemented or produce results, the City seeks to continue pressing forward with the initiatives that began in previous years and to set new goals to achieve in the coming fiscal year through this document and daily efforts on implementation.

2016 - AT THE GATEWAY TO BOERNE'S FUTURE

2016 WORK PLAN INITIATIVES

SoBo Concept Plan and Downtown Study – The City hired Catalyst Commercial and Gateway Planning Group to provide expert consultant advice and coordination of process and public involvement on both the SoBo Concept Plan and Downtown Study. A number of public forums were held to gather community input on the advantages and challenges for development of each area. The BKCEDC was a full participant in the process and attended all meetings and the two studies were completed and presented to City Council in October, 2015 and June, 2016 respectively.

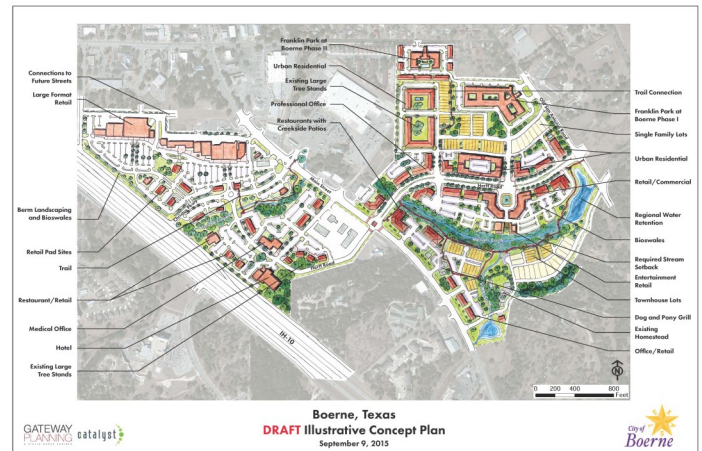
2016 WORK PLAN INITIATIVES CONTINUED

The City's goal is to have the new SoBo development zone and the heart of Boerne, the Downtown central business district, complement each other. The goal of the SoBo initiative is to provide a guide for development in the area that is in sync with and provides a plan to align all four property owners' goals. The report identified conducting a drainage study to maximize the developable area while complementing the natural environment on the east side of Main Street. The two property owners agreed to a shared funding arrangement with the City to accomplish this. With the assistance of the Gateway Planning group, the City hopes to produce an overlay district to further facilitate development in the South Boerne region.

Acquisition of property for the Main Street to Christus Parkway extension from Herff Road was an identified key goal in development of SoBo. This was accomplished in July, 2016.

Business Retention and Expansion (BRE) and Recruitment –

The City's shared goals with the BKCEDC included as a high priority a strong ramp up of the BRE Program in 2016 in order to retain and support existing companies. It is our belief that this effort is at least as important as attracting new development. Representatives from the City and the BKCEDC conducted site visits to include key utility, Ad Valorem and Sales tax customers for the City of Boerne. Twelve visits were conducted, exceeding the established goal of eight in the 2016 Work Plan.



BRE Visits Conducted

- ▶ Electrolab
- ▶ Mission Pharmacal
- ▶ Lectron Fuel Systems
- ▶ Oil Filtration
- ▶ HEB
- ▶ Pryor Medical
- ▶ Toyota of Boerne
- ▶ Texas Star Nut & Food Company
- ▶ James Avery, (County)
- ▶ Peterson Regional Medical Center
- ▶ Morningside Ministries
- ▶ Parking Sense USA



The City and the BKCEDC also focused on recruitment of small corporate headquarters, determining the viability of a hospital in Boerne, and interest/potential timing of a grocery-type development on the City's east side where a majority of the new home construction is taking place. Discussions with UT Health Science Center, Hill Country Memorial Hospital (Fredericksburg) and Peterson Regional Medical Center (Kerrville) indicated that Boerne was likely not in line for a full hospital in the near future. It was also pointed out that one is likely not needed in the community due to proximity to other quality hospitals and the Medical Center. The chief executive officer of Peterson Regional Medical Center suggested the City conduct a medical needs assessment to determine what types of medical facilities would be needed and/or supported by the greater Boerne community to be utilized to present to potential medical facility developers.

Several grocers were contacted to determine interest and discussions continue on that front. During the HEB BRE meeting, it became clear that they had Boerne in mind for a second store at some point in the future, likely on the east side due to the growth projected in that area for the coming years.

Hill Country Mile (HCM) and Public Art Initiatives - The first year of the Art Al Fresco project brought added positive exposure and tourism interest to our Downtown destination. This program, along with an emphasis on marketing and our Historic District Restoration Program, have become valuable assets in our ability to not only bring in business, but also maintain a unique identity as Boerne continues to grow gracefully. The Historic District Restoration Program continues to be successfully utilized with five participants receiving a total of \$23,000 in 2016. These matching funds have gone to improving a variety of historical buildings.

The Boerne Amphitheater at the Library was opened successfully in the previous year and is on target to host a variety of library and community events in the coming year. The HCM rebranding launch was implemented in the spring and will be supported with

continued marketing and advertising to promote tourism and economic development.

Home Diversity Projects -The City has continued its efforts to bring a diverse group of housing developments to meet the growing population and unique needs of its community. Working with the developer to help defray some utility infrastructure costs, the City has been able to move forward on a potential 41 unit condominium redevelopment on Herff Road. Staff also successfully worked with Vantage of Boerne, LLC to begin construction on a 288 unit complex on Old San Antonio Road, which has begun construction and should be completed sometime in the coming year. Discussions have occurred with 210 Group out of San Antonio regarding a potential apartment development on the north side. This development would be targeted for 55 and over residents and fall under the State's Competitive Housing Tax Credit Program. The City will consider creation of a Public Finance Corporation to facilitate this and other workforce/affordable housing developments in the future.

GigaRegion Project -The City worked cooperatively with GVTC as part of the GigaRegion project to bring fiber optic internet service to all residential areas in Boerne. The City's financial commitment totaled \$77,500 over a 24 month period to provide 50% of the costs of analysis and replacement of City owned utility poles that would be impacted by the installation of service to the 1,642 homes which did not have currently have fiber service. The program was successfully concluded in September of 2016, on budget and five months ahead of schedule.

Gas and Sewer System Growth and Electric System Infill – With the strong focus in recent years on providing incentives through shared infrastructure costs with new development, the City's Gas Department became the fastest growing utility in terms of customer count and that trend will continue in FY 2017. Gas customer count grew by 7% in the 12 month period ending in July, 2016. Sewer customer count, another area of specific focus, was also strong at 4%.

In addition, water utility customer count growth remained strong at 4% and exceeded the Electric Department in total customers. The City connected its first Reclaimed Water customer in Esperanza in January of 2016 and several hundred more are expected to go on line in FY 2017.

The City was awarded a Texas Capital Fund Grant in 2015 toward building a sewer main extension to the North Industrial Park. This extension will allow for expansion of businesses in the Park and serve to retain those businesses in Boerne. The first segment of the project was completed in early 2016 providing service on Commerce Street to Environmental Fuel Systems. The second phase of the project which has also been completed was to provide sewer service to the Texas Star Nut and Food Company. Texas Star Nut and Food Company has announced plans for further expansion of their facility in Boerne as a result of this project.

Water Resource Plan – HDR, Inc. was hired to assist the City with completing a water resource and needs assessment through the year 2070. The assessment was completed and presented to City Council in November 2015.

City of Boerne Development Process Analysis & Improvements

The 2016 Work Plan called for the City to identify impediments to retail and commercial development in Boerne, and to begin to address them where feasible to do so. To accomplish this, a focus group was conducted in early 2016 which included the City Departments of Planning and Community Service, Public Works, Code Enforcement, Economic Development, Management, and several local developers, architects, engineers, and property owners. The goal of this effort was to allow for open and candid input. Six key development processes were distilled from a number of diverse comments and suggestions to include:

1. **Infrastructure Construction Inspections**
2. **Development Plats**
3. **Acceptance**
4. **Partial Performance Guarantees**
5. **Waivers / Variances**
6. **Costs**

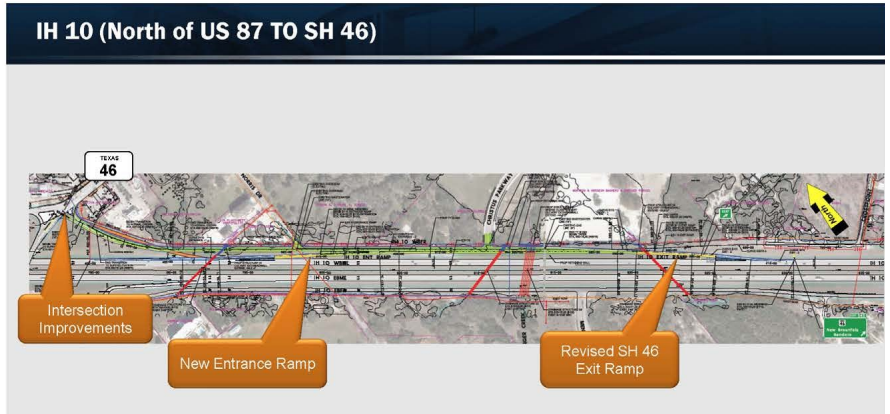


2017 WORK PLAN GOALS AND KEY INITIATIVES

ROADWAY AND MOBILITY PROJECTS

As in the proceeding four plans, construction of key roadways will continue to be of utmost importance to economic development for the City. With the completion of Herff Road in 2016, the IH10 Frontage Road and SoBo connector road remain top priorities in order to create a confluence of roadways that will be the catalyst for development in the SoBo area.

- ▶ IH 10 Frontage Road – The City funded \$1.1M towards this project in 2016 and it is scheduled for completion in early 2017.
- ▶ SoBo Connector Road - Continue with land and right-of-way acquisition in order to construct the SoBo connector road from Main Street to Christus Parkway.
- ▶ Scenic Loop/IH 10 Expansion and Improvements – Coordination of City and County funding with TxDOT was accomplished in 2016 with each entity contributing \$550, 000 towards the \$10M project which is scheduled for completion in mid to late 2018.



- ▶ Old San Antonio/Cascade Caverns – Mobility studies were completed in 2016 to include potential alternatives, project phasing, drainage issues, and costs. This study includes the South end of Old San Antonio Road, Cascade Caverns intersection with frontage road, Scenic Loop intersection with Cascade Caverns and BISD school in coordination with proposed developments on Miller and Jennings Anderson Ford sites. This project would be a high priority funding need in a roadway bond issue.
- ▶ Highway 46 Improvements/Esser to Ammann Road – The project has been approved by TxDOT and is scheduled to be let in May of 2017 with an estimated cost of \$11M of which \$550,000 each was funded in 2016 by local match from the City and Kendall County. Project is scheduled for completion in late 2017 or early 2018.
- ▶ Kendall Parkway - In 2016 the City and Kendall County requested TxDOT re-initiate the Highway 46 East to IH 10 mobility connector road. This project has been dormant for 10 years since TxDOT last attempted to study and propose alternate routes for the roadway. Brown & Gay Engineers have been hired by TxDOT to coordinate the project which got underway in the summer of 2016.
- ▶ IH 10/Highway 46 Overpass and Frontage Road extension – Coordinate schedule, funding and timing of project through TxDOT.
- ▶ North Main Street/Highway 87 overpass - Coordinate schedule, funding and timing of project through TxDOT.

In the summer of 2016, Buc-ee's announced their intention to construct a 53,000 square foot family travel center in Boerne at the Highway 87/IH10 intersection. In order for the construction to take place the Highway 46/IH10 intersection must first be accomplished before the second project (IH 10/Hwy 87) can begin. TxDOT estimates that each project will take approximately two years to construct at a cost of \$30M each. Staff will be working with TxDOT, BKCEDC and Buc-ee's to do whatever it can to facilitate the timely construction of these two projects.

The City is considering a potential bond election for roadway, drainage and sidewalk projects in 2017. Staff will work with City Council to establish priorities, project estimates and phasing of these projects.



IT'S MORE THAN JUST A MILE

When you visit downtown Boerne's Hill Country Mile, art, history, entertainment, shopping, dining and outdoor adventures are all within reach! Whether it's your first visit, or you're from around here, the Mile's friendly, local feel will capture your heart, and show you what Hill Country hospitality is all about.



WWW.HILLCOUNTRYMILE.COM

DOWNTOWN AND HILL COUNTRY MILE

Public Art - Art Al Fresco & Municipal Public Art Collection - The City recently completed the inaugural Art al Fresco competition and purchased 2 pieces for the permanent public art collection. The pieces selected received the highest number of votes in the public voting process from Boerne residents and visitors. The remaining public art pieces will remain in place until March 2017 when they will be replaced with 10 new public art selections chosen from a nationwide call for entries. The Majestic Ranch Arts Foundation continues to graciously support public art for the community and has gifted three beautiful bronze pieces entitled The Trio, Adventure Tales & Fairy Tales and Lucky Ducks placed at the Boerne Amphitheater at the Library and at Main Plaza.

Hill Country Mile Marketing and Promotion - The successful rebranding and marketing initiative for the Hill Country Mile (HCM) will continue to be supported with marketing and advertising funding to promote local tourism and to entice day trippers to visit our downtown destination. The Boerne Convention and Visitors Bureau (CVB) will assist in the selection of cost effective and appropriate media outlets including social media, CVB website and Boerne's Visitors Guide, and numerous other media opportunities in target Texas metro areas. A HCM app will be developed in partnership with the Chamber Retail/Restaurant Committee to further promote HCM businesses and community events. Additional marketing and promotion time will continue to be allocated for posting on the HCM Facebook page supporting downtown merchants and community events.

Downtown Development and Revitalization Incentives - Recently, both buildings that are adjacent to the City's leased downtown parking lot have been sold and will be redeveloped. Conceptual plans for both properties include mixed use development and the proposed exterior building improvements should substantially increase the curb appeal for this segment of Main Street. In an effort to encourage more of the type of redevelopment of valuable downtown properties, the City will be revising the Historic District Restoration Program to allow for a graduated scale of reimbursement funding to be based on the financial investment in redeveloping these downtown properties. Other tools for assisting in these efforts can include 380 development agreements with possible sales rebates, city property tax freeze or combinations therein for a negotiated time period.



North Main Street Development - Boerne City Campus, Boerne Convention and Visitors Bureau and BISD Campus Site - Development and economic development opportunities along Main St., north of Blanco Road, are beginning to rise to the forefront as an area for future expansion of the HCM. Plans for the future City Hall at the Boerne City Campus are underway and will dramatically bring more attention and visitors to this civic anchor property. One block to the south, staff continues to investigate options to better utilize the Lohmann Street parking lot and investigate the feasibility of leveraging this property to be included in a larger development product. North of the parking lot is approximately 3 acres of BISD property fronting Main Street that will likely go on the market this fiscal year and could possibly become part and parcel of a larger development that could include the City's parking lot and a portion of Lohmann Street.

2017 WORK PLAN GOALS AND KEY INITIATIVES CONTINUED

Dickens on Main and Weihnachts Parade - The City will again host *Dickens on Main 2016*, the City's premier community downtown event. This year's Thanksgiving weekend event will have some new attractions and greater selection of both food and merchandise vendors. The HCM app will support the Dickens on Main event and allow for greater accessibility to program schedules and activities. Staff is planning to utilize additional marketing and social media outlets to promote tourism, shopping, and dining as we continue to improve this annual family-friendly event. The following Saturday is the City's annual Weihnachts Parade along Main Street which is always a crowd favorite.

Downtown Retail/Restaurant Committee - The City continues to work closely with the Greater Boerne Chamber of Commerce to collaborate with the Retail/Restaurant Committee to ensure the promotion and development of downtown as a destination. This is part of the public/private partnership that benefits all those that chose to participate. Several business owners are assisting the City the development of the HCM app. The CVB continues to assist business owners with cooperative advertising opportunities and media exposure when there are media and group tours.

City Trail Improvements - Design, permitting and bidding of the 2015 Transportation Alternatives Planning (TAP) grant trail extensions totaling approximately two (2) miles of new trails will occur this year. Proposals for grant administrative services for this project are being reviewed by staff and will commence this fiscal year and go throughout the duration of the project to provide grant oversight and ensure compliance monitoring with this reimbursement grant project.





Despite the fact that some areas of the State of Texas have experienced a decrease in hotel revenues of up to 35% due to a decline in the oil and gas industry, the Texas Hill Country continues to be strong and Boerne continues to garner its share of the market place. Boerne hotel revenues should reach \$8 million at the 2016 year end, with occupancy rates between 58-60%.

CVB Mission Statement

The Boerne Convention and Visitors Bureau is committed to sharing the Boerne experience, resulting in an increase in hotel revenues and positively impacting the local economy.

Implementation of 2017 CVB Strategic Marketing Plan:

- ▶ The CVB will continue to expand our services in assisting hoteliers, retailers and other organizations with strategic planning, revenue and occupancy forecasting, as well as advertising and marketing campaigns as needed.
- ▶ Continue to increase public awareness and interest in Boerne through
 - ▶ Advertising and internet social media presence
 - Selective print material
 - Digital Marketing Presence
 - Newsletters
 - Custom & Native content
 - Amplified Story Telling
 - Programmatic Display Banner Advertising
 - ▶ Public Relations
 - Continue to seek opportunities to partner with SACVB to host international FAM trips and travel writers to Boerne
 - Continue to be a resource to Boerne businesses for community events, advertising and marketing
 - Continue to grow relationships with downtown merchants, hoteliers, and restaurants
 - ▶ Metrics
 - Continue to gather and report visitor information from hotels, restaurants and businesses to the CVB Board of Directors
 - Continue to provide quarterly reports to City Manager and City Council
 - ▶ Community Support
 - The CVB will continue to work closely with the Special Projects Department by providing assistance and support of community events, such as Dickens on Main, the Hill Country Mile, and public arts

The CVB will continue to support and market city-wide events, festivals, and promotions



2017 WORK PLAN GOALS AND KEY INITIATIVES CONTINUED

NORTH MAIN STREET/HIGHWAY 87 DEVELOPMENT

Development of the City's north side continues to be an area of focus. Boerne's existing Industrial Park is located on North Main and bringing wastewater treatment and other utility services to the area could result in helping the City to achieve its business retention and expansion goals. This is a challenge in that the cost of extending sewer mains far outweighs any return on investment based return to the City. Access to a Texas Department of Agriculture (TDA) grant was approved early in 2015. The first phase of the project taking a sewer main up Main Street and down Commerce Avenue to Environmental Fuel Systems allowing for retention and expansion of the business has been completed.

The second phase of the TDA project, now underway, will take the sewer main from Commerce Avenue to Trade Avenue and down Market Avenue to the site of the Texas Star Nut & Food Company where an even larger business retention and expansion project is planned. The project will also allow adjacent lots and other existing businesses to tie in to accommodate future additions and expansions. Once this is achieved, Phase III would entail creating a financially viable plan to expand sewer/utility service throughout the Industrial Park. A new home development (Durango) on the east side of the Industrial Park is planned for 2017 and could also facilitate further extension of the utilities to serve the area.

An approximate 170 unit apartment project is under consideration on property located off North Main Street and Shooting Club Road. The project is targeted at residents aged 55+ and would use funding from the Texas Department of Housing and Community Affairs to provide apartment rents as much as 40% below market rates. The addition of a high quality apartment project along with Durango on the City's north side should serve as an impetus for new retail development in the area and an improved sense of place for the north side. Extension of Main Street amenities such as street lighting and trails access will be considered as these developments progress.

As described in the Hill Country Mile Section of the Work Plan, the City's Civic Campus is being readied for the possible construction of a new 45,000 square foot City Hall facility. This has been planned for this site since the City acquired the property in 2006 and a number of feasibility studies culminated in the hiring of Randall Scott Architects from Dallas to perform an updated space needs study. Following a series of public input forums, the City Council has retained Randall Scott and the project is moving forward in 2017. The addition of City Hall to the Civic Campus will bring a new energy and focus on Main Street North of Blanco Road. In addition, the City is considering options to relocate the Convention and Visitors Bureau to a Downtown/Main Street site.

Other initiatives which would improve the development viability on the north side of Boerne include:

- Seek viable development opportunities for the Albin site (67 acres), the M&K Investment Property Development site (28 acres) and the strip center on the north end. Texas Star Nut and Food Company is planning an expansion on part of the M&K site which has also drawn recent interest from other enterprises.
- Consider funding mechanisms for North Main development to include financial incentives and tax increment reinvestment zone (TIRZ) concept.
- Repurpose of City-owned Civic Center and transition to YMCA to address the needs for a recreation center was identified in the 2012 Parks and Rec Master Plan. The transition from Civic Center to YMCA use was

completed in 2016. In 2017, it is anticipated that they YMCA will complete a fund drive to begin work on the new co-branded YMCA/Recreation Center.

- Seek options and plan for re-development of North Main strip center.





BKCEDC Strategic Plan & Goals – Having reorganized the Board and Organizational structure in 2016, the BKCEDC intends to hire a consultant to create a working Strategic Plan in 2017 pending availability of funding and approval by the BKCEDC Board. The plan will provide a full examination of demographic and economic data for the region as well as an assessment of the available workforce and economic trends in Boerne-Kendall County. From that research, strategies and tactics will be offered that focus on the top priorities identified from the research.

This will ensure that the BKCEDC and its partners, including the City of Boerne, are utilizing our limited resources to their highest and best use. Recommendations will be made regarding the talent/labor pool, physical infrastructure, business climate, innovation and entrepreneurship, quality of life and image/marketing/communications. The City has worked closely with the BKCEDC on these same issues over the past year and gaining focus and insight from the consulting group that the BKCEDC hires to assist with the project will be of great benefit to the City. Misty Mayo, President and CEO of the BKCEDC provided a draft summary below of the BKCEDC's proposed goals for 2017, which will be considered/approved by the BKCEDC Board in late October.

STRATEGIC PLAN FOR ATTRACTION AND BUSINESS RETENTION & EXPANSION (BRE):

With the goal to make a positive, lasting impact on our economy, we are fully considering the fact that a Strategic Plan (SP) will arm and empower our community to drive our economic development efforts to the highest level of competitiveness. We also acknowledge that while the BKCEDC can lead this effort, this must be implemented with full engagement of our entire community with our key-partners and stakeholders: City of Boerne, Kendall County, Private EDC Investors, and BISD. Engaging a consultant to assist and all Partners will ensure the greatest scope and success of our economic development plan (*Up to a 6-month process; this is not intended to address the BKCEDC organizational structure*). The SP will begin with a statement of Kendall County's vision and goals related to economic development. The SP Process will be managed by a milestones calendar.

Once a consultant is engaged, included in the overall evaluation of our community's economic development will be:

- 1) Discovery – stakeholder meetings, data analysis and identification of target clusters to uncover Kendall County's strengths and better understand the community's vision. (research, documented input, organizational structure, budgets, marketing materials, and past studies evaluated)
- 2) Stakeholder engagement for input (Series of meetings, phone conferences, etc. Through the process, the entire community becomes well educated about the Strategic Plan, aware of their individual roles in implementation, and prepared to take action).
- 3) SWOT Analysis
- 4) Deeper-dive into data points that can be utilized in all attraction and retention efforts.

Economic & Demographic Snapshot Evaluation to include:

- Economic Trends:
 1. Employment by industry and employment growth by industry • Local employment concentrations by industry relative to US average • Wage competitiveness by industry • Unemployment rate • Gross regional product and growth trends • Export activity • Self-employment rate
 - Workforce Trends:
 2. Total population growth and migration trends • Demographic age distribution • Educational attainment levels (high school, associate, bachelor's +) • Commuting patterns • Poverty levels • Household income • Housing availability and affordability
- 5) Target Cluster Identification
- Targeting is the process of identifying industry sectors that are to become the primary focus of economic development activities. Target list will include industries that represent immediate, mid-term, and long-term opportunities. The target list will also include a balanced approach to industry growth – recruitment targets, retention and expansion targets, and entrepreneurship targets.

STRATEGIC PLAN FOR ATTRACTION AND BUSINESS RETENTION & EXPANSION (BRE) CONTINUED:

- Begin implementation of Strategic Plan.
- Update the Catalyst Retail Study (data use for 3 years) in a manner that most effectively supports our attraction goals for Retail.
- For retail, utilizing updated catalyst data: evaluation of utilization of a land availability map for a new attraction marketing piece will be fully considered.
- Utilize new attraction marketing collateral to align with targets revealed in the Strategic Plan.



- Continuation of successful BRE initiative. Visit 5-8 key employers, including the City and County, as appropriate. Determine the list of companies to visit by coordinating with the City on their list of priorities.
- As part of the Strategic Plan, determine capacity and best structure for the launch of a BRE Visitation Program. This is a potential expansion on our initial, and successful efforts, thus far.
- Prior to the addition of any enhancements to the BRE Program, review the Tool Box of Services for our current BRE efforts and consider additions and expansions of assistance we might be able to offer local companies and entrepreneurs, if any.

- Maps – constant consideration continues involving available land and identification of community assets related to real estate. BKCEDC will further enhance our efforts in mapping, including enhanced maps to be included, as appropriately determined either on our website and/or utilized in marketing efforts.
- Add to the list of resources for entrepreneurs. The BKCEDC receives a large number of inquiries from start-ups and mid-established companies seeking assistance. Beyond referrals to Investors, and the existing list of resources: research, benchmark and seek out best practices to be included on our website and utilized to assist these prospects.

- Completion of Phase II of the new BKCEDC Website. This will include the following enhanced features: updated information; additional graphics and photographs; expansion of resources for prospects and entrepreneurs; and added components as evaluated and discovered.
- Development of Video to be highlighted on BKCEDC website and utilized for marketing to potential prospects. Videos will focus on key site selection factors in which companies consider the priority areas of consideration.
- Complete marketing collateral package which includes a separate piece for each of the following: BRE, Attraction and Investing in the EDC all cohesive in a complete marketing package to be utilized together or independently, as needed.
- Expand on Investor Communication for enhanced and increased communication.

ORGANIZATION STRUCTURE:

- Work with County to review our current agreement and update, as needed.
- Maintain an active search for qualified intern(s) to continue assisting with benchmarking and large projects.
- Complete the Investor Benefits which will be the driver for the new Membership/Investor Marketing piece.
- Maintain part time consultant/team member and budget to convert to full-time staff member.
- Develop strategy for monthly communication with the Board of Directors.
- Evaluate the need – if needed add a Sub-Committee to handle Events. This will allow 1-2 casual, networking events to be included in our Investor Benefits.
- Investor Committee: Enhance Investor Benefits; Upgrade the Investor Thank you's and Investor Communication.

2017 WORK PLAN GOALS AND KEY INITIATIVES CONTINUED

PLANNING/STRATEGY

City of Boerne Master Plan – Having completed much of the work identified in the 2006 City of Boerne Master Plan an update is planned for 2017. The City has selected Burditt Consultants, LLC to perform the update which is projected to begin in October and take about 9 months to complete. With the completion of studies for the SoBo area and Downtown/Hill Country Mile by Gateway Planning in 2015-16, a great deal of work that would typically be part of the Master Plan is already in place. Burditt will assist the City in incorporating those plans into the Master Plan and address updates to the Thoroughfare Plan and Land Use Plan. The Master Plan serves as a template for guiding economic development projects by identifying areas where commercial and retail development is desired and facilitating planning for roadway improvements and home development.

Implementation of Identified Development Improvements – A goal in 2016 was for the City to identify elements of the development process that were unusual and which caused the most delay and errors during the typical development process. To accomplish that, several individual meetings were held along with a joint meeting of developers, architects, engineers, and other consultants who are presently working on projects in Boerne. There were over 20 persons in attendance from the development community along with 10 members of staff from Administration, Public Works, and Planning & Community Development. The areas for improvement or to consider modification are:

- 1) Infrastructure Construction Inspections
 - Frequency of inspections is greater in Boerne than other cities
 - Other cities accept either testing lab or engineer certification of test results and do not need an inspector to witness all testing – Boerne does not accept those
 - Developers may be willing to hire independent inspectors to on site to speed up the process. Boerne does not currently allow this practice.
- 2) Development Plats
 - Developers want to be able to submit infrastructure plans and building plans for review at the same time. Current practice is to not accept building plan submittal until after infrastructure is accepted.
 - Developers want to be able to construct the building and infrastructure concurrently.
- 3) Acceptance
 - Developers find the process of submitting lien releases from all contractors and subcontractors burdensome. Other cities accept an “All bills paid” affidavit from the developer and/or GC as a substitute.
- 4) Partial Performance Guarantees
 - City ordinance is currently an “all or nothing” policy on performance guarantees. Developers advise that there are other cities that allow for partial guarantees to get the plats recorded.
- 5) Waivers / Variances
 - Developers suggest more ability for City Staff to waive or grant variances to certain ordinance provisions.
- 6) Costs
 - Developers advise the Boerne impact fees are higher than in surrounding areas.
 - Some of our policies for infrastructure (i.e. Boerne does not allow joint trenching for gas and electric) create extra costs for the developer

While we have every intention for Boerne to be developed in a manner that is unique to us and recognizes our desire to preserve our identity and quality of life, we do not intend to create unnecessary cost and delay for the development community where it can be avoided. The purpose of this effort is to identify those adjustments to our process that accomplish both goals.

Roadway Funding – Funding for roadway projects is a challenge that is expected to become more difficult as the City grows. Through partnerships with TxDOT, Kendall County and the Alamo Area Metropolitan Planning Organization (AAMPO) the City has been very successful in achieving funding and commencement of over \$30M in roadway projects in the last few years with much more planned for the next five years.

Many cities in Texas currently faced with rapid growth as Boerne is, have begun implementing Transportation Impact Fees. These fees are similar in nature to those already in place for water and sewer utilities and are designed to have new development pay for their proportional impact on the City's roadways. The State of Texas defined this process in 2005 and specifies how such fees are to be calculated and applied. The City would require assistance from a qualified transportation engineer/consultant to implement these fees.

Medical Facilities – During BRE visits in 2016 to Hill Country Memorial Hospital in Fredericksburg and more specifically with Peterson Regional Medical Center in Kerrville, we were advised that Boerne likely would not be the site for a full hospital in the near term. The CEO of Peterson stated that it would be advisable for the City and community to have a Medical Facility Needs Assessment performed by a professional consultant. This study would be designed to identify what types of medical needs the community had which would support a presence in Boerne such as an Ambulatory Surgery or Birthing Center. The assessment would be similar to what the City and EDC did with Catalyst Commercial to determine our retail leakage and opportunities to target specific market segments that Boerne could support.



SoBo District – Over the last several years, the City has been successful in creating a framework for the South Boerne (SoBo) area to development in a more comprehensive, coordinated, complimentary and effective manner. This effort began with the Gateway Planning Study and the involvement of the diverse group of property owners and the community through public forums. This resulted in a schematic plan which outlines the potential balance of retail, housing, dining, and entertainment possibilities for the area. It demonstrates that the four individual properties will be most successful by understanding what type of development is best suited for and is likely to occur on each of the properties and in targeting their own development with that in mind.

In 2016 a drainage study of the area was completed with costs shared by the City and three of the property owners as a first step in working cooperatively toward a shared goal which benefits all. We also hope to achieve a common theme or complimentary design standards through this shared knowledge and hopefully, by establishing common goals that have buy-in from the property owners. Toward that end, the City is once again working with Gateway Planning to formulate design standards that are specific to SoBo through the use of an Overlay District like the City has done with downtown, entry corridors, and River Road.

With the completion of Herff Road in 2016 and the Frontage Road in 2017 along with progress on the SoBo Connector Road, staff anticipates that new development will ensue on the site in the coming year. Long rumored to be the site of an upscale hotel with meeting space the Partlow property is already under development for infrastructure and roads. With Franklin Assisted Living currently under construction on the Calder site, the table is set for more development to follow along Herff Road and South Main Street as well.

2017 WORK PLAN GOALS AND KEY INITIATIVES CONTINUED

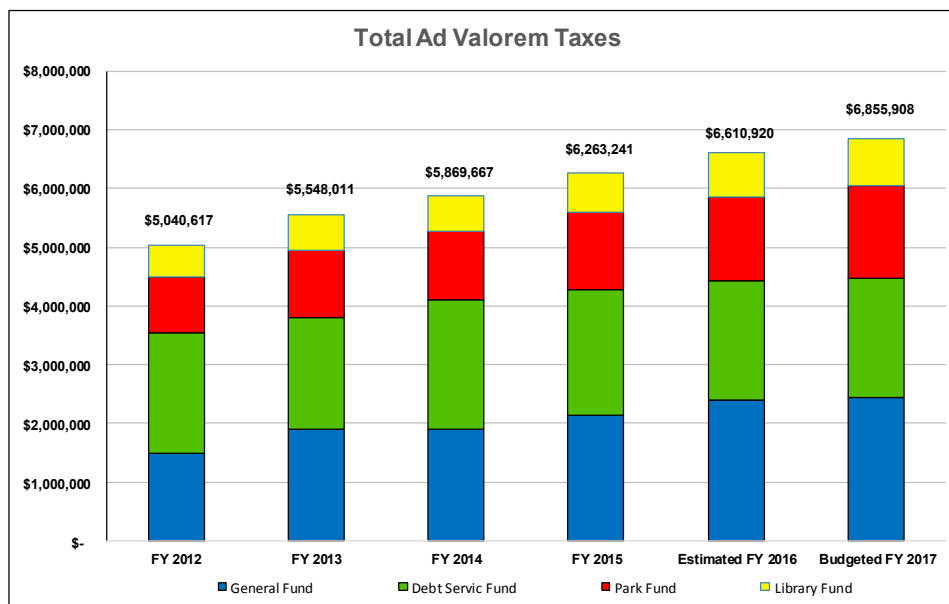
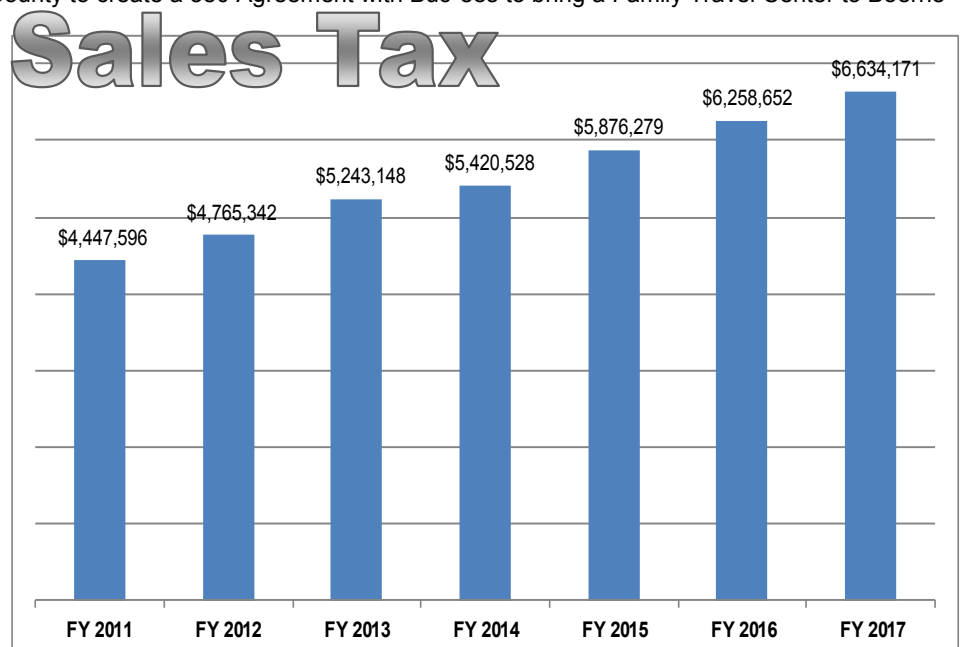
REVENUE ENCHANCEMENT/DIVERSIFICATION

Following a successful 2016 which saw customer count in water and sewer utilities increase by 4% and gas by almost 7% the City will continue to focus on economic development projects which are positive for the community and which provide new revenues for the General Fund and the Utilities. There will be continued focus on Sewer, Reclaimed Water, & the Gas systems as those three utilities are key to the economic future of Boerne and each have faced funding challenges in recent years. The Electric system will benefit most from high quality infill projects and several are under consideration for 2017 including Herff Village on Old San Antonio Road and several apartment projects throughout town.

The General Fund has greatly benefited by the focus in recent years on retail development and increasing the City's sales tax revenue which grew by 8% last year and topped \$6m in total collections for the first time in FY 2016. 2017 will continue that focus as growth in sales tax provides the City with new funds without raising Ad Valorem taxes and without incurring significant new costs.

The City participated with the EDC and County to create a 380 Agreement with Buc-ees to bring a Family Travel Center to Boerne in the coming years. Several TxDOT projects will need to occur prior to that coming to fruition and it is hoped that those projects can be coordinated with an opening of the store as early as 2019.

Other chapter 380 Agreements in 2016 included Mark Motors, Quick lane, the Mercantile Building and Brazos de Santos. Agreements entered into in prior years are beginning to have a positive impact on revenues in utilities, AV values and sales tax and will continue to do so.



DOWNTOWN/HILL COUNTRY MILE DEVELOPMENT AND BOERNE CONVENTION & VISITORS BUREAU

The downtown area was also the subject of a Gateway Planning Study in 2016. The goal remains to preserve the character and authenticity of the Downtown/Hill Country Mile area as the heart of the City and the primary source of tourism and visitors. In addition, the City seeks to have SoBo and downtown develop in ways that are complimentary to each other and which together, provide a greater impetus for visitors to Boerne to stay overnight. (See Section on Downtown/HCM efforts for 2017).

The CVB has done an excellent job of coordinating efforts with the BKCEDC and others to put forth a shared vision for marketing Boerne in a more effective manner and more is planned for 2017 (See Section on CVB efforts for 2017). The City is considering options for relocating the CVB and potential sites include the Lohman Street Parking lot which is set for renovation in 2017. The concept of coordinating the construction of a new CVB with added downtown retail through a public/private partnership are under consideration.

With the 2016 HVS study indicating that Boerne would benefit from and our market could support a high end hotel with meeting space, the City attempted to gather proposals through a Request For Proposal process that did not generate any interest at the time. In spite of that, proposals continue to be brought forward regarding a potential high end hotel with some conference/meeting space and proposals will be reviewed for their financial viability.

Quality of Life (QOL) –

Enhancing QOL continues to be at the forefront for all economic development activities for the City balanced with revenue enhancement. In 2017, the Parks & Recreation Department will do an update of the Parks Master Plan from 2012 which will outline planned initiatives for the ensuing 5 years. Having partnered with the YMCA on a jointly branded facility to include Rec Center amenities which met one of the highest priority needs listed in the 2012 Plan, progress will continue in 2017 with the City continuing to play a major role. The TAP grant 2 mile trail expansion project will occupy much of staff's time and effort in 2017.

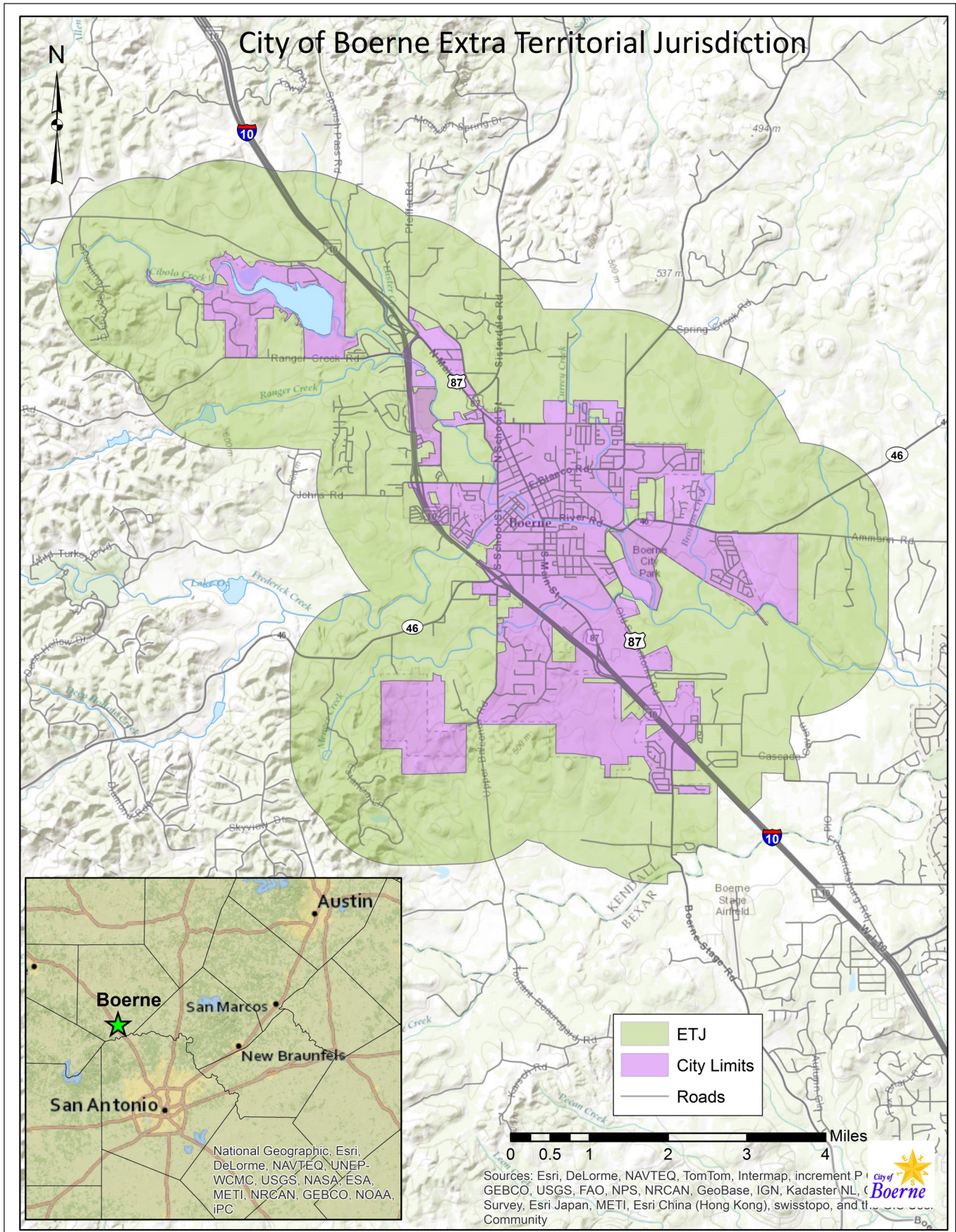


As part of the MP process, the City will consider options for funding through alternative sources to include grants, donations and the potential for implementation of a Parkland Dedication Ordinance. Like roadways, funding for parks is challenging. If land can be acquired through dedication, as will occur in Esperanza and Regent Park, funding is preserved for park amenities. Already common in many Texas cities, staff will review the options available in 2017.

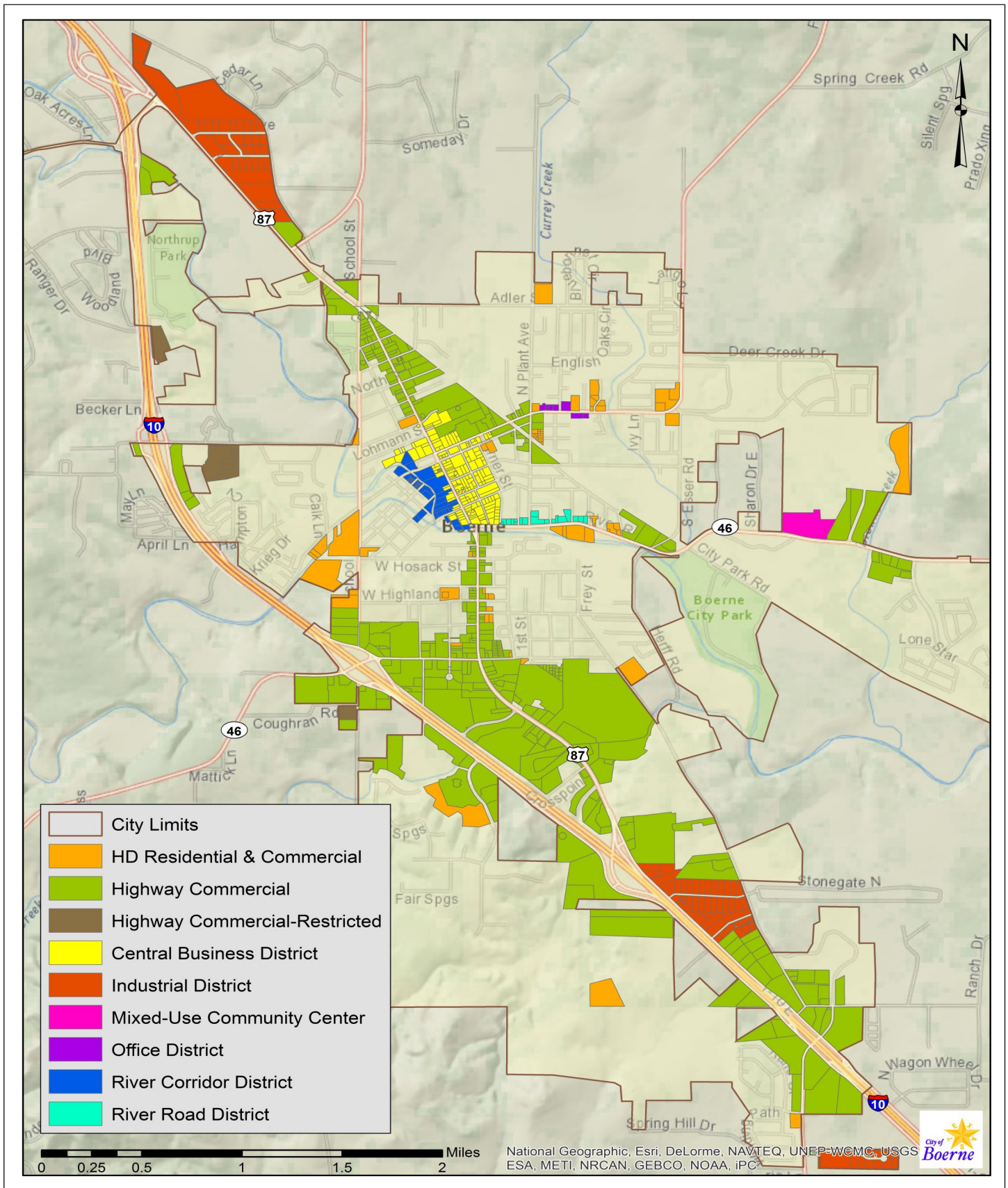
Home inventory and diversity of pricing continues to be a challenge and is mentioned in the vast majority of BRE visits along with available workforce. The City has a number of projects in various stages of development which have been aided due to the potential of providing homes for people in a range of pricing that is difficult to achieve in Boerne due to the high cost of land. These include several apartment complexes, Herff Village, and a townhome project on the City's north side.

In addition, the City has been approached by our bond attorneys Norton, Rose, Fulbright to consider forming a Public Finance Corporation. A PFC allows the City to participate in creation of lower priced housing by partnering with development to form a quasi-governmental organization which allows access to lower interest funding and tax credits through the Texas Department of Housing and Community Affairs. San Antonio's PFC is called the SA Housing Trust Corporation. Even though we would be partners in these developments, the City bears no risk according to the information we have been presented with, but do share in a portion of the revenues generated. It is an interesting concept which will be explored in 2017 for potential use in future projects.

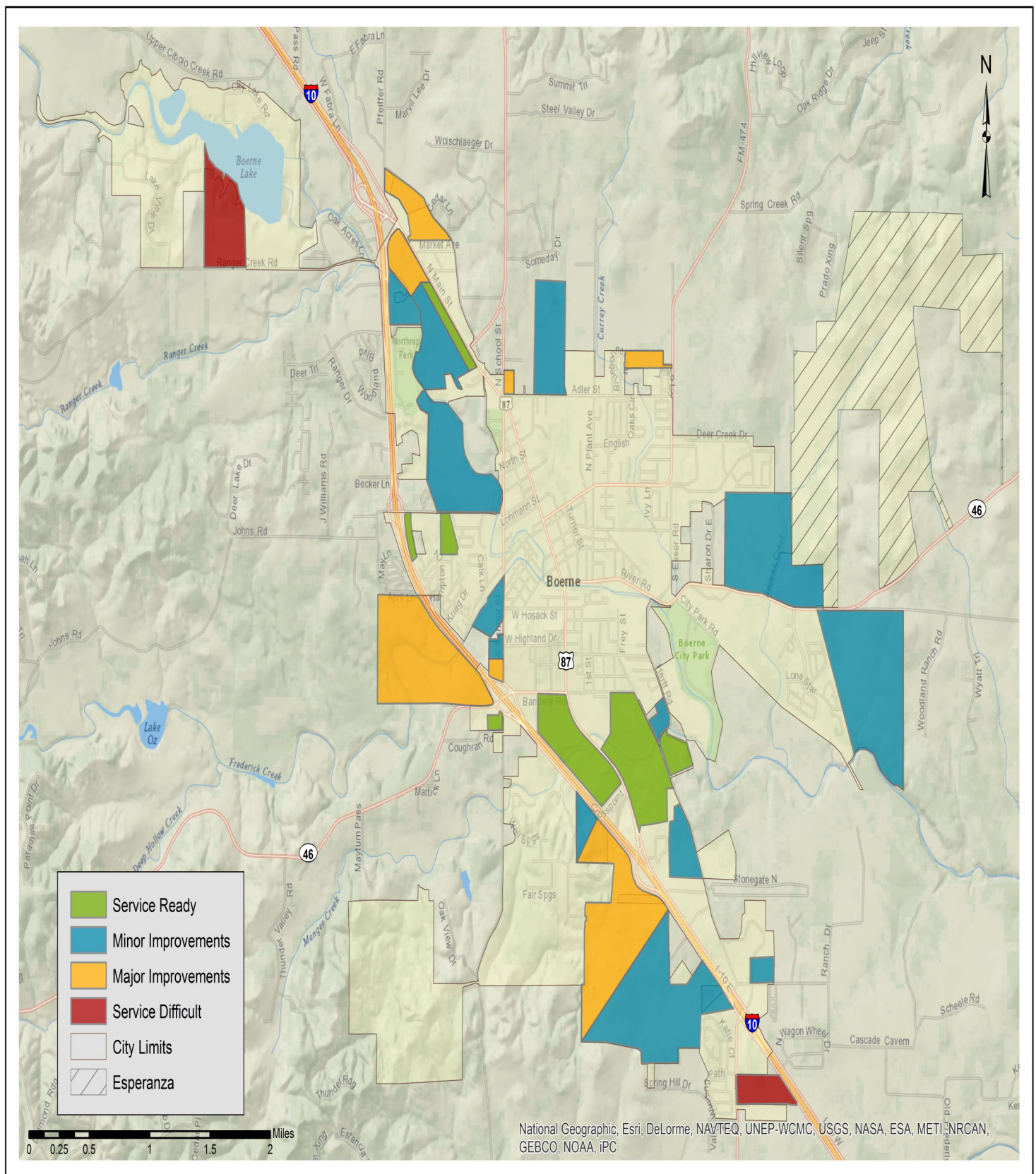
Appendix A - City ETJ Map



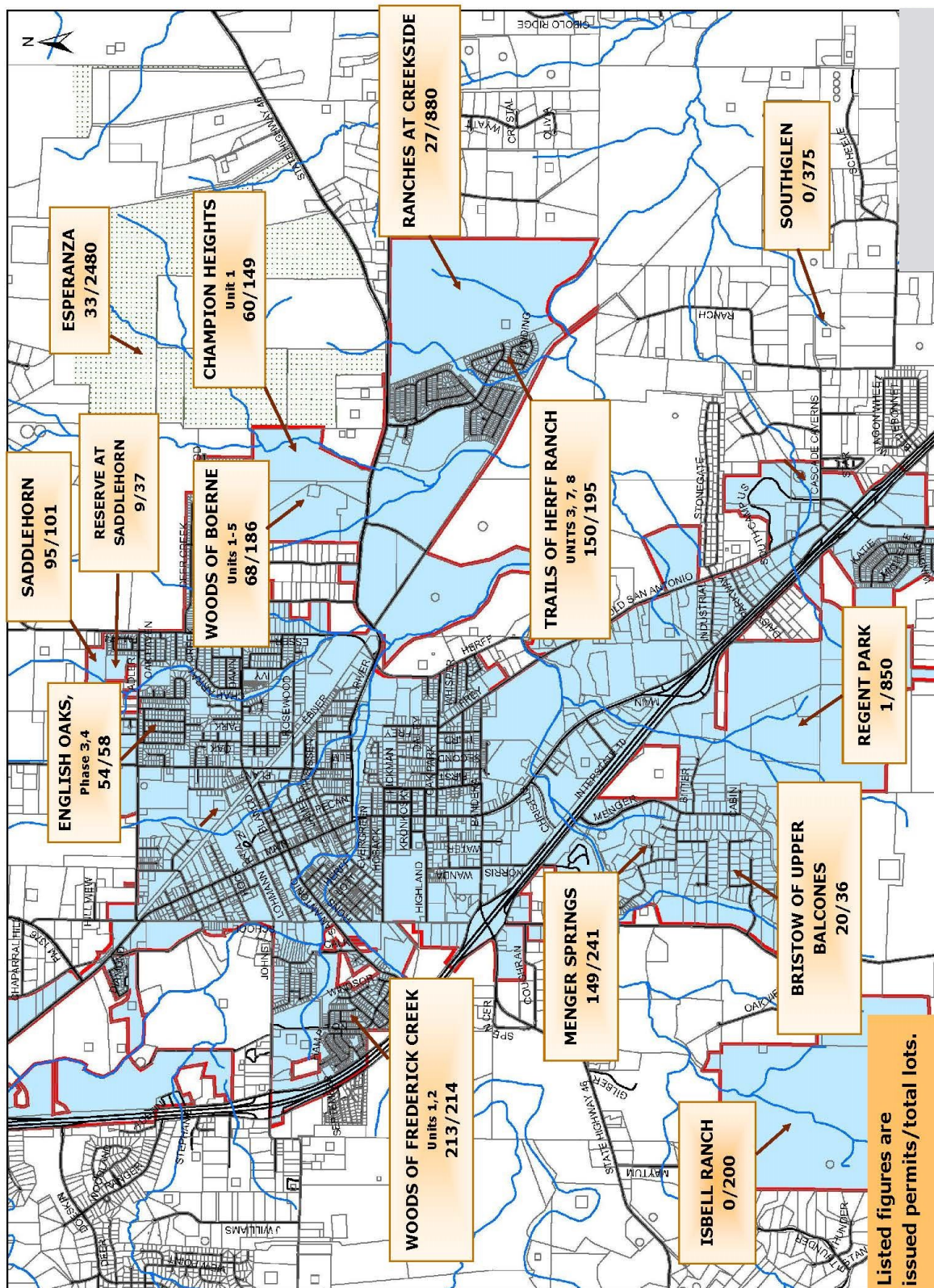
Appendix B - Commercial Zoning Map



Appendix C - Utility Service Availability Map



Appendix D - Current/Potential Home Sites



Contact Us

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