



AT A GLANCE

AT THE CENTER OF
THE AUSTIN-SAN
ANTONIO CORRIDOR

REGION IS FIRST IN
THE NATION FOR
ECONOMIC GROWTH

207% INCREASE IN
RETAIL SALES TAX
COLLECTIONS
FROM 2003 - 2016



ECONOMIC COMPETITIVENESS

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EXISTING CONDITIONS

The Economic Competitiveness Plan Element establishes a coordinated approach to economic development to attract workers and businesses, and to retain and sustain existing businesses within the community.

Economic competitiveness in the context of comprehensive planning refers to examining and strengthening the ability of New Braunfels to compete effectively and prosper in the regional, state, national and global economy. Understanding economic competitiveness involves an examination of New Braunfels' relative performance on core metrics that measure how the community satisfies the needs of job creators, such as unemployment, economic growth, job growth, access to a qualified workforce, K-12 and higher education, and the needs of people to fill those jobs, such as incomes and wages, regional mobility, housing, health care, accessible recreation and entertainment. For sustainable economic growth, communities must invest on both sides of the equation.

The New Braunfels economy is built on a foundation of primary industries that create output which exceeds what the local economy can absorb, thereby growing the economy. Efforts to grow primary jobs are focused around a list of target industries (specific business categories within each primary sector) which are industries that are strategically aligned with regional economic development efforts and with the community's advantages and specific objectives.

Businesses grow by having access to resources in their regional vicinity—like natural resources, unique infrastructure, access to suppliers or consumers, or a talent pool with specialized training and education. Strong industry subsectors tend to grow in clusters of complementary, competitive, or cooperative businesses and associations leveraging their unique resources¹. The U.S. Economic Development Administration defines a cluster as a regional concentration of related industries in a particular location.

Understanding the region's assets and historic growth trends provide insights into how to formulate a strategic approach to cultivating growth in a regional context through specific target industries that will continue to drive growth. The table to the right lists current target industries for growth in New Braunfels.

The Chamber of Commerce, Economic Development Corporation, and the City work together to promote the growth of these industries through marketing, business attraction and expansion, providing necessary infrastructure for their continued growth, and coordinating workforce development programs across the K-20 educational pipeline.

NEW BRAUNFELS TARGET INDUSTRIES
Music Industry
Healthcare and Medical Technologies
Specialty Foods
Data Centers
Logistics and Distribution
Telecommunications and Information
Automotive Suppliers

¹ International Economic Development Council: Economic Development Reference Guide, Regional Clusters section, 2016

REGIONAL GROWTH

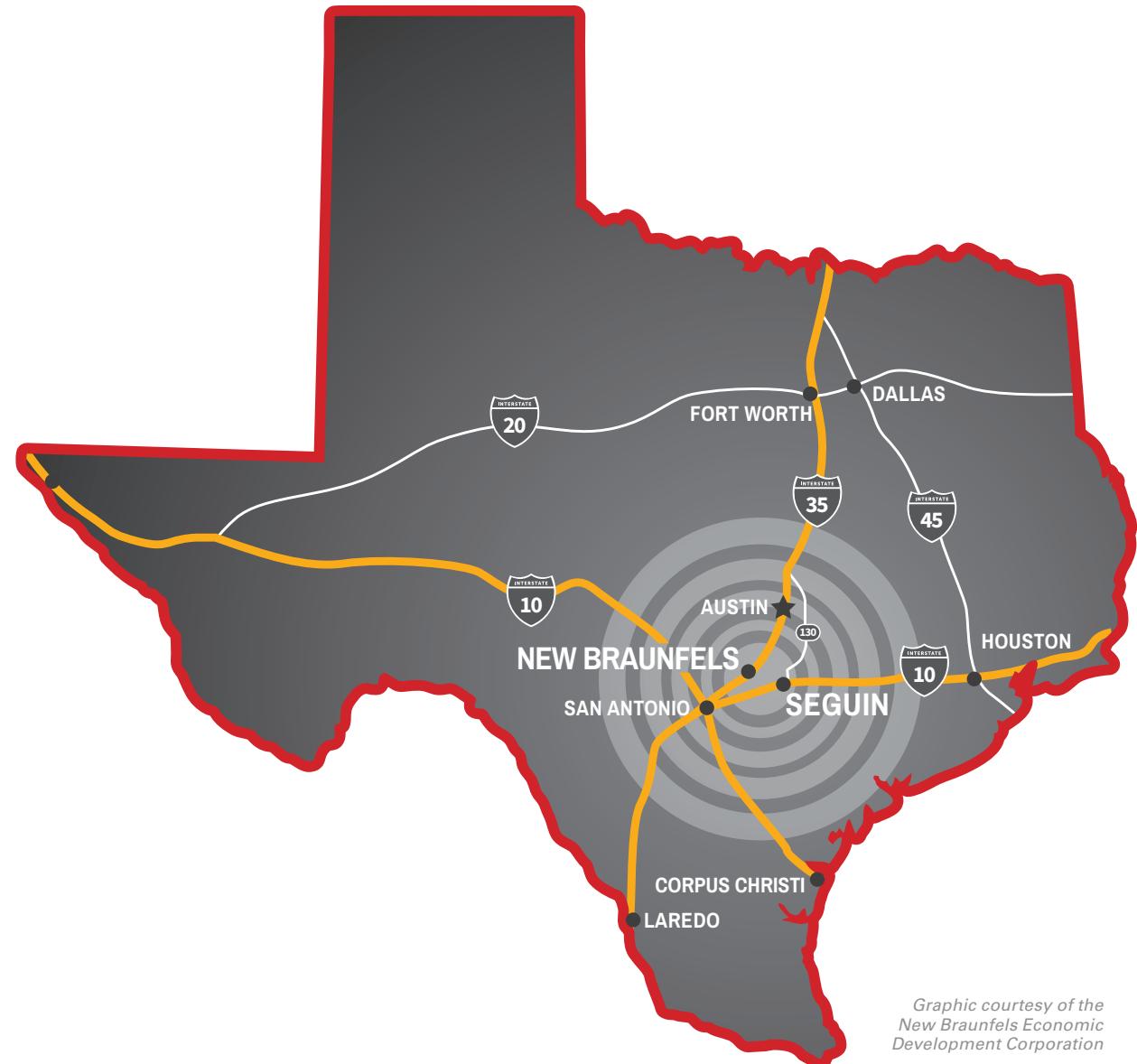
New Braunfels is part of the San Antonio-New Braunfels metropolitan area, as defined by the U.S. Census Bureau. The metro spans across the following counties: Atascosa County, Bandera County, Bexar County, Comal County, Guadalupe County, Kendall County, Medina County and Wilson County.

According to the U.S. Census, in 2015 the metro ranked 25th in the nation by population (2,384,075), and 1st in the nation in terms of economic growth according to the U.S. Department of Commerce.

The San Antonio economy is built on a diverse set of industries ranging from non-cyclical (health care, education, military), seasonal (tourism), industrial (materials science, distribution) and research & emerging technology (life sciences, biopharma, information technology, data centers). San Antonio's close proximity has and will continue to positively impact New Braunfels' economy.

New Braunfels is also located adjacent to the Austin—Round Rock—San Marcos metropolitan area, the 33rd largest metro with a population of just over 2 million and the 2nd fastest growing economy (US Census, US Department of Commerce).

Regional partnerships and collaboration amongst all communities in the metro area will continue the current and past success.



TRENDING GROWTH SECTORS

RETAIL SECTOR

207 percent growth in sales tax collections from 2003-2016. Growth primarily focused in the Creekside Development area off the Interstate Highway 35 and Highway 46 corridors. Downtown and infill areas have seen growth in retail as well.

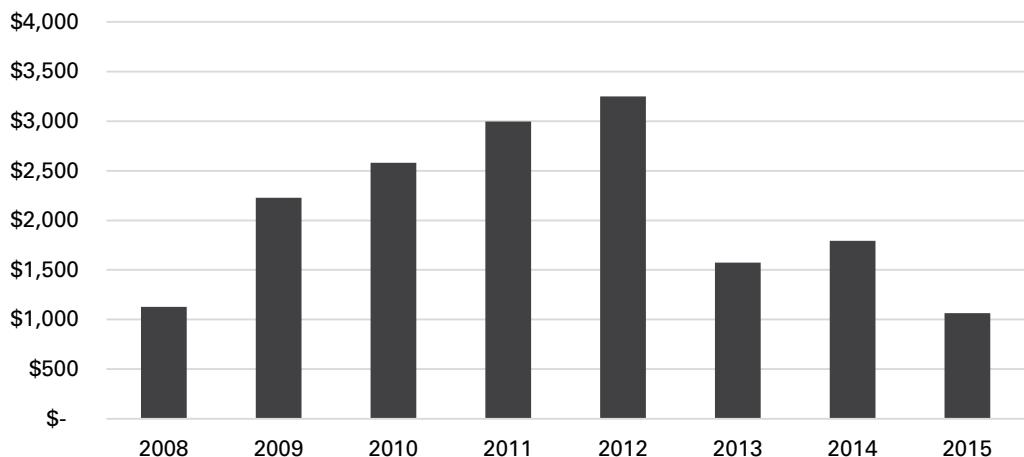
HEALTH CARE SECTOR

Development of Resolute Health Hospital, CHRISTUS Santa Rosa Campuses, medical/professional office as well as accessible, proximate senior and assisted living housing units at the Creekside Development.

COMMERCIAL SECTOR

Commercial real estate investments over the past approximately eight years have been focused within the retail and industrial market. The following indicator demonstrates the amount of commercial investment the local economy is able to attract on a per capita basis.

Commercial Investment Per Capita in USD, 2008-2015

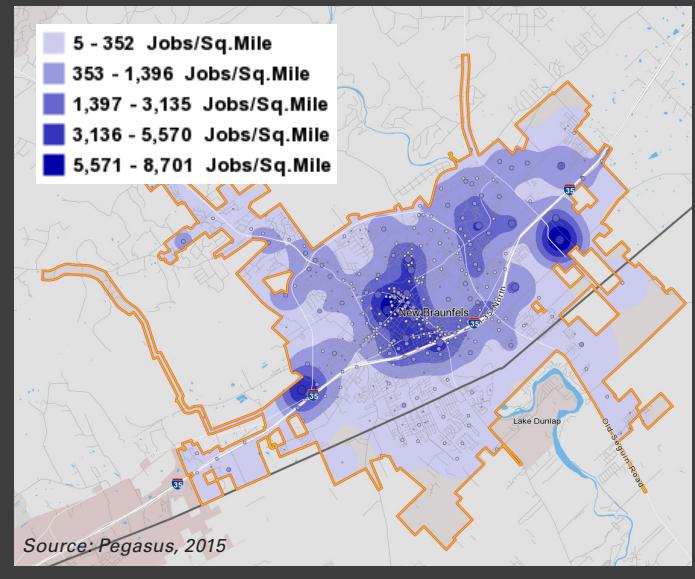


Source: New Braunfels Economic Development

Primary job growth is a benchmark measure for number of jobs added by employers who produce a good or service that is primarily sold outside the trade area. New Braunfels Economic Development Corporation (NBEDC) conducts an annual survey of job growth of more than 50 such local employers (both new and existing) in this category and which indicates that 982 jobs annually since 2004 (NB EDC, 2016 Benchmark Report).

Unemployment is consistently lower than state and metro levels, as indicated by NB EDC reports since 2008. It was last reported as 3.7 percent in October 2016, with the 8-county area measuring at 4.5 percent, and the state at 4.8 percent.

Job centers are concentrated along the Interstate Highway 35 corridor, as indicated in the map below. The highest concentration is around the Town Center at Creekside which has a combination of high retail, health care, logistics and manufacturing employers.



INDUSTRIAL SECTOR

New Braunfels is located directly along the Interstate Highway 35 corridor, the primary auto, commuter and distribution fleet connection between the two fastest growing metro regions in the country (San Antonio and Austin) and the most expedient distribution connection to other networks and connections to major population centers stretching from Mexico to Canada. The Central Texas region's growing incomes, population, and competitive set of economic development tools—from direct incentives to a flexible local taxing toolbox—has long attracted businesses who require a robust supply chain of goods. Growth in manufacturing, retail, e-commerce, and material processing have driven a boom in industrial real estate and services growth along the Interstate Highway 35 corridor.¹ Like many peer communities along the corridor, New Braunfels has focused economic development efforts on leveraging its location along the Interstate Highway 35 corridor. It assists the community's efforts to increase the property tax base and diversify the economic strengths of the community. The Industrial Development Board's previous five-year plan (2010-2015) targeted adding 350,000 new square feet into the market and far exceeded this target with the opening of the new, 96-acre Titan Industrial Park and the early capture of some key anchor tenants (namely, CGT). These efforts resulted in the community ultimately adding 740,000 industrial sq. ft.—more than double their target objective.

OFFICE SECTOR

In general, the San Antonio-New Braunfels metro has witnessed strong demand, falling vacancies, and steady rents for Class A and B office space since 2012 (CBRE, 2016) while continuing to be one of the strongest markets for new construction for the last three years (Transwestern, 2013-2016). In the last 24 months alone, the San Antonio metro added 1.59 million square feet of Class A & B office space most of which has focused on the Central Business District and the North-Northcentral submarkets.

Class A office space commonly describes high quality buildings. These are the newest and highest quality buildings in their market, generally the best looking with the best construction and infrastructure. They are also conveniently located and have the highest rents. Class B office space is generally older but still in desirable condition and are often good candidates for renovation.

The northeast sector of the San Antonio metro, which includes New Braunfels, lags other submarkets for new office construction. Given the size of available units, and the lower vacancies and rents than in the surrounding submarkets, this data indicates a need for redevelopment, reinvestment or new construction of office space. New Braunfels' high real estate values, strong demographics—high levels of educational attainment, available workforce, high incomes—as well as the high quality of life derived from assets like its natural resources and strong cultural identity, make it a competitive market for the construction of Class A corporate campus developments.

¹ http://www.mysanantonio.com/news/local_news/article/I-35-corridor-booming-northward-3537685.php; <http://bexarwitness.com/market-watch-ih-35-corridor-gaining-more-industrial/#.WJQGwLYrlb0>; <https://www.planetizen.com/node/89260/massive-growth-along-i-35-corridor-texas>; <http://www.bizjournals.com/sanantonio/news/2016/10/10/how-big-is-the-growth-along-the-i-35-corridor-and.html>



CGT's new manufacturing facility and Class A office space on FM 1101.



Creekside Professional Plaza Class A office space within The Village at Creekside development.

EDUCATION AND WORKFORCE

New Braunfels is highly competitive in its ability to satisfy the needs of business and industry; however, regional and local growth have precipitated challenges on the people-side of the equation: namely, in offering affordable housing, regional mobility, and accessible recreation and entertainment to all residents. Businesses understand that without a strong people-focused strategy, the talent and skilled labor pool can and will eventually be compromised.

Educational attainment of the population over 25 in New Braunfels is higher than that of the State or within the city limits of San Antonio. Nearly 89 percent have earned at least a high school diploma, and 29.3 percent of this working-age population has earned at or above a bachelor's degree. At the state and metro level, the percentage of the population lacking a minimum of a high school diploma or equivalent GED certificate is almost double that in New Braunfels.

Educational Attainment for the Population 25 years and older, 2015

	Texas	San Antonio	New Braunfels
<High School Diploma or GED Equivalent	18%	18%	11%
Earned Diploma or GED Equivalent	25%	25%	26%
Some College up to Associate degree	29%	30%	32%
Bachelor's/ Graduate/ Professional degree	27%	24%	31%

Source: U.S. Census Bureau, American Community Survey (ACS), Esri, Esri and Bureau of Labor Statistics, Esri and Infogroup. The vintage of the data is 2011-2015, 2017.

New Braunfels also boasts access to a regional labor shed—the working age population living within the area New Braunfels draws labor from—of more than 450,000 and nine institutions of higher learning across the region (NB EDC, 2016). New Braunfels' pre-eminent workforce development institution, Alamo Colleges—Central Texas Technology Center—is more than doubling the size of their New Braunfels campus from 25,000 to 55,000 and correspondingly expanding program capacity.¹ And Howard Payne University—via online and at New Braunfels High School—offers both undergraduate and graduate degree programs, as well as dual-credit courses.

11%

No High
School
Diploma



26%

High School
Graduate



32%

Some College



31%

Bachelor's/Grad/Prof
Degree

¹ INNewBraunfels.org: <https://innewbraunfels.com/chamber/2016/08/08/grow-cttc-expansion-set-open/>; 2016 IDEC Awards in Economic Development Application, NBIDC

WORKFORCE HOUSING

Despite the size of the regional workforce and high median incomes of the local population, local wage growth and the wages of newly added jobs remain insufficient to keep pace with the pace of rising rents and home values. According to the New Braunfels EDC, from 2003-2015, the New Braunfels population has increased by 58 percent while only increasing housing units by 23 percent over the same period (US Census, American Community Survey 5-Year Estimates, Selected Housing Characteristics). Additionally, Median Household Income has grown by 74 percent.

Rapid population growth among high income individuals that far exceeds new residential growth leads to rapidly rising rents and property values—which is great for existing property owners but presents a drastic effect on local moderate to low-income households and renters. Taxable Property Valuations have increased by 153 percent, and as of 2016 asking rents for 1-2 bedroom for rent units are priced at 20 percent above Department of Housing and Urban Development Fair Market Rents.²

To afford a Fair Market Rent for a 2-bedroom apartment (\$929), a household would need to earn a wage of \$17.87 per hour or an annual income of \$37,160; at minimum wage (as of February 2017, \$7.25 per hour), a household would need 2.5 full-time wage earners (Nlich.org; NBHP, 2016). These tables illustrate a compilation of locally-reported wages by approximately 318 New Braunfels wage-earners.

Much of the workforce in New Braunfels earn wages that put them into a position of spending more than 30 percent of their income on housing.

*Payscale is a user-focused site for individuals seeking to learn more about what they could make in other areas, or what others in their area are making with the same job experience/ education level. Published wages/salaries go through rigorous analysis before making information part of the public survey for an area to ensure wages are comparable based on work, education level, certifications, and other factors affecting workforce and livability in an area.

² NB EDC 2016; New Braunfels Housing Partners, 2016; HUDuser, 2016 FMR https://www.huduser.gov/portal/datasets/fmr/fmr_il_history.html; <http://www.expressnews.com/real-estate/article/Shortage-of-affordable-homes-could-worsen-in-10840935.php?cmpid=gsa-mysa-result>;

Median HH Income and Wages for Workers, 2015			Local Market Rent versus HUD Fair Market Rents					Locally-Reported Occupational Wages	
	Texas	San Antonio (city limits)	New Braunfels	Efficiency	1 BR	2 BR	3 BR	4 BR	Hourly Wage
Median Household Income	\$53,207	\$46,744	\$59,721	New Braunfels Median Market Rent*	\$890	\$1,090			Certified Nurse Assistant \$10.57
Median Earnings for Workers	\$30,263	\$26,213	\$31,774	Comal County Median Market Rent*	\$860	\$1,150			Licensed Nurse \$18.72
				HUD 2016 Fair Market Rent**	\$596	\$739	\$929	\$1,222 \$1,430	Office Manager \$15.83
Source: American Community Survey, 5-year estimates									

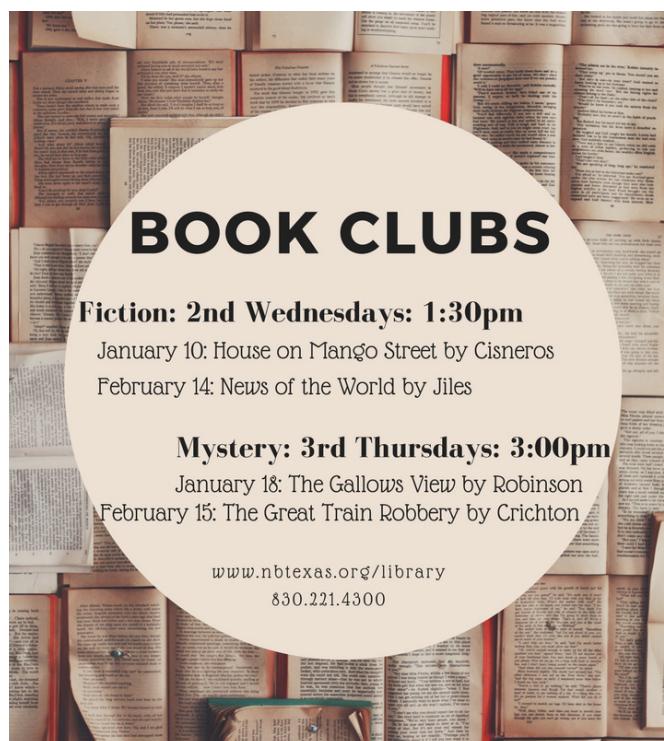
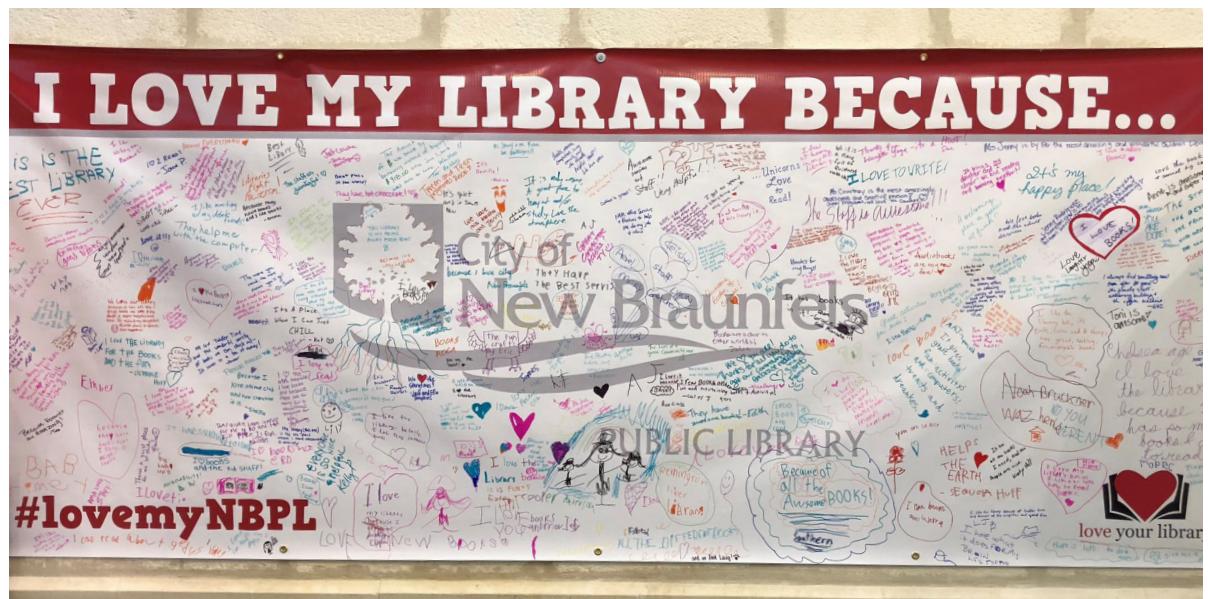
*Apartment List Rentonomics[Aparmentlist.com]. Measuring base rent; does not include costs of utilities, internet/cable.

**HUD amount includes ALL housing costs including utilities. Use this figure to establish income limits—FMR = 30 percent of income.

QUALITY OF PLACE

Talented, creative people seek areas where they are constantly exposed to inspiring spaces, places, and people. New Braunfels' rich cultural heritage, stunning natural resources, tourism amenities, small town feel, and quality of life give it a distinct sensibility. Downtown New Braunfels and the Gruene Historic District qualify as unique places that are also real assets for economic development. Services such as the CHRISTUS Santa Rosa Hospital, CHRISTUS Ambulatory Surgical Center, Resolute Health Hospital, University of Texas at San Antonio (UTSA) Small Business Development Center and Center for Entrepreneurship, Howard Payne University, Central Texas Technology Center and Wayland Baptist University New Braunfels Campus enhance both the city's economic productivity, and its appeal for employers and investment. By strategically investing in unique real estate products, New Braunfels can leverage its resources to offer a high quality of place to both attract new talent and retain residents. As one of the few areas with moderate to large land/existing buildings for redevelopment, the Milltown Historic District and Faust Street Bridge area are ideal opportunities to leverage affordable housing funds and density programs. Additionally, due to their historic buildings and proximity to the river, efforts in this area can take advantage of some of New Braunfels' special advantages.





The New Braunfels Public Library plays a significant role in the City's quality of place and economic development. It stands as one of the City's largest employers and also offers a variety of programs that supports all age groups within the community. Children's programs include, baby rhyme time, family story time, bilingual story time, a "reading to therapy dogs" program, and an annual summer reading program. Teen programs include a tween book club and writing group, an anime and manga club, a summer volunteer program, and book-related contests and games. Adult programs include book discussion groups, computer classes, gardening programs, community yoga, film series, craft classes, job skills workshops and more.

PLAN ELEMENT ADVISORY GROUP RECAP

STRENGTHS

- Cultural and natural resource-based tourism are critical to New Braunfels' economy.
- New Braunfels' strategic location along the Interstate Highway 35 corridor offers a variety of economic development opportunities.
- City officials and community members approach economic development with a shared "can do" spirit.
- New Braunfels and its development community have mobilized large real estate development projects, including the Veramendi development and Titan Industrial Park, with significant economic upside for the city.

OPPORTUNITIES

- Enhanced regional and local transportation options, including public transportation, could improve the movement of people and goods into and out of New Braunfels.
- As New Braunfels grows and its demographics shift, economic development initiatives need to involve all members of the community.
- Significant infill opportunities, such as at the former City Hall on South Castell Avenue and NBU's Aquifer Storage and Recovery System (ASR) project, will help New Braunfels accommodate new residents and visitors in the future.

PRIOR GOALS (2016)

The Plan Element Advisory Group conducted an inventory of the 2006 Comprehensive plan goals and determined which ones were and were not achieved and identified the gaps that Envision New Braunfels could work to complete. Refer to the [Technical Report Appendix](#) for a matrix of the reviewed goals.



THE VALUE OF PARKS

American Planning Association City Park Forum Briefing Paper 03: How Cities Use Parks for Economic Development

Parks provide "positive economic benefits. They enhance property values, increase municipal revenue, bring in homebuyers and workers, and attract retirees. At the bottom line, parks are a good financial investment for a community. The National Association of Home Builders found that 65 percent of home shoppers surveyed felt that parks would seriously influence them to move to a community. Knowledge workers prefer places with a diverse range of outdoor recreational activities, from walking trails to rock climbing. Workers attracted to an area are then positioned to put money back into the local economy through jobs, housing, and taxes, which then contribute to parks."

ECONOMIC COMPETITIVENESS GOALS

1. Create an environment that incentivizes jobs and live/work/play destinations that leverage regional talent and expands industries.

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8

2. Facilitate the creation of new destinations for lodging, recreation, neighborhood goods and services in underutilized neighborhoods and along corridors.

- 1
- 2
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- 8

3. Create policies and programs that attract families and talented residents.

- 1
- 2
- 3
- 4
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- 7
- 8

4. Continue to diversify the economy to ensure adaptability and resiliency.

- 1
- 2
- 3
- 4
- 5
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- 7
- 8

5. Cultivate a free enterprise approach to growing an economy where the public and private sectors collaborate.

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8

APPLICABLE STRATEGIES
REFER TO PAGE 178

1



SUPPORT VIBRANT CENTERS

2



ACTIVATE NEIGHBORHOODS

3



BALANCE JOBS AND HOUSING CHOICES

4



INNOVATE IN PARKS AND PUBLIC SPACES

5



BOLSTER RESILIENT INFRASTRUCTURE

6



COORDINATE CITY INVESTMENTS

7



CONNECT ALL

8



CULTIVATE LOCAL AND REGIONAL PARTNERSHIPS

INDICATES A STRATEGY THAT SUPPORTS THE PLAN ELEMENT GOAL