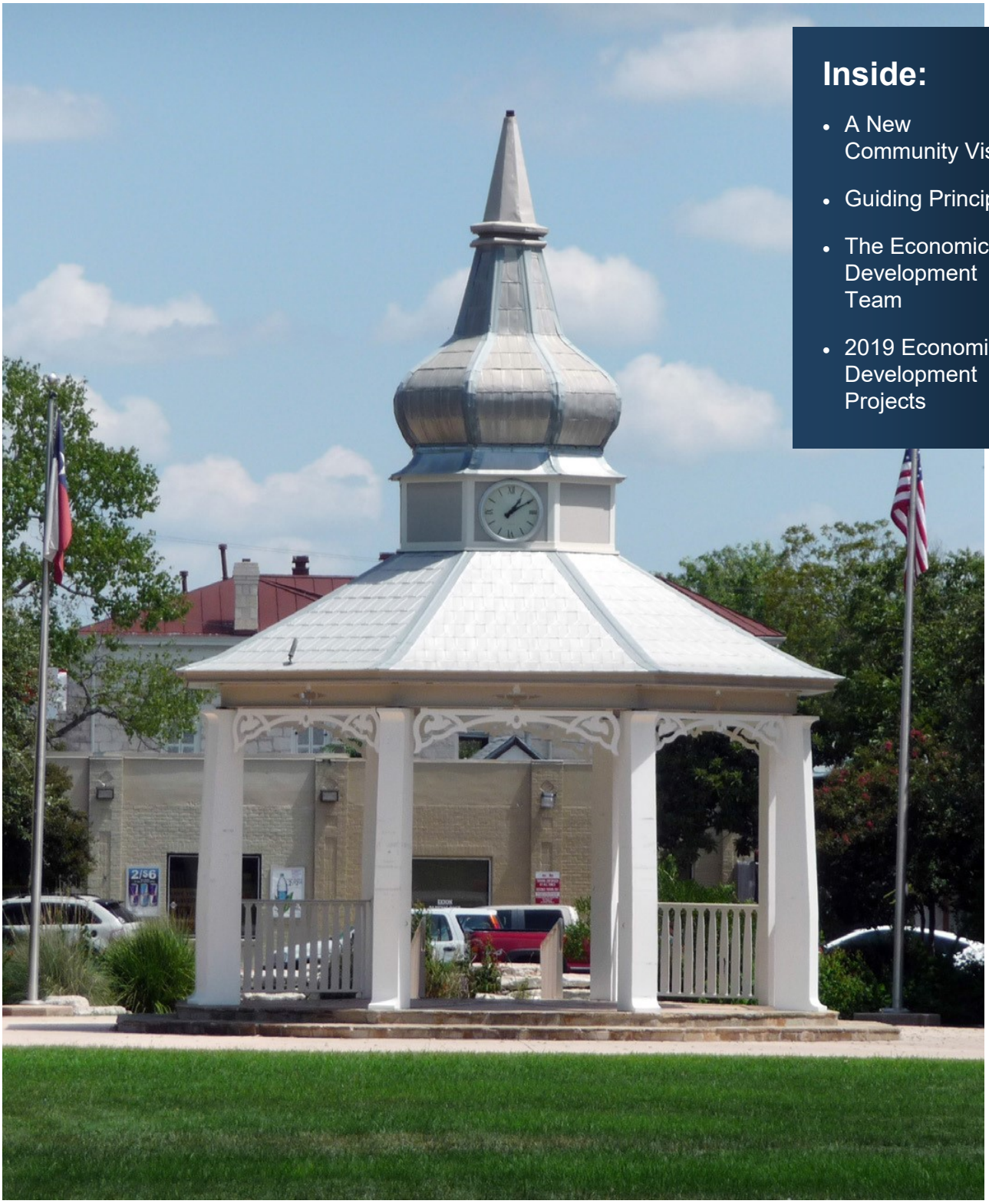
ECONOMIC DEVELOPMENT WORK PLAN

Fiscal Year 2019



Inside:

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"When nothing seems to help, I go look at a stonecutter hammering away at his rock, perhaps a hundred times without as much as a crack showing in it. Yet at the hundred and first blow it will split in two, and I know it was not that blow that did it, but all that had gone before."

~ Jacob Riis' Stonecutter Credo ~

Introduction

The 2018 City of Boerne Economic Development Work Plan (6th edition) continued to provide direction in key areas of focus for the City's economic development team and significant strides were made in several key areas. Plans and initiatives taken in prior years set into motion objectives and outcomes for later years and we have begun to see fruition in the present. While there is still much to be accomplished and planned for, several key milestones have been achieved that will allow for quality economic and community development outcomes well into the future.

Fiscal year 2018 saw construction begin on over 20 commercial projects which included a new 50,000 sf Ambulatory Surgical Center, a $25M Doubletree Hotel/Conference Center and several new commercial strip centers. The City issued 367 building permits for new single housing starts and 2 building permits for multifamily projects that account for 293 new living units. Several major road construction projects were either completed or got under way in the past year.

The 2019 City of Boerne Economic Development Work Plan (7th edition) will serve as a guide for the City's economic development activities for the fiscal year (October 1, 2018 – September 30, 2019). To maximize the efficiency of the effort, the City's economic development team will focus on those areas in which the City has the greatest amount of influence. The team will focus on:

- Improving the development review process;
- Updating the City development codes;
- Improving infrastructure to create more development ready sites;
- Enhancing tourism; and
- Placemaking;

For the areas in which the City does not have a significant amount of influence but are still critical to the community's economic growth, we will partner with those who can be more effective in these areas. The City's primary partner for all economic development activity is the Boerne Kendall County Economic Development Corporation (EDC). We will work with the EDC and our other partners for:

- Marketing the community and our opportunities for growth;
- Recruiting new businesses;
- Retaining existing businesses;
- Helping existing businesses grow; and
- Developing opportunities for small business.

To better understand how the economic development function is performing, we will be establishing key performance indicators. It is difficult to measure the direct impact of any single economic development activity. However, the key performance indicators will enable us to measure the overall impacts of the economic development effort. From the City's perspective, key performance indicators may be change in population and revenue with revenue including ad valorem tax, sales tax and utility sales. It will be important to select key performance indicators that are easy to measure and track over time.

All economic development efforts will be directed towards those policies and expectations established by the Boerne City Council. More specifically, with the recent adoption of the 2018 Master Plan, emphasis will be placed on the economic objectives identified in the implementation chapter of the Master Plan.

The overall economic development program should position the City to take advantage of the current strong economy. With this year's planned activities, building upon the accomplishments and past preparatory efforts of the City's economic development team, 2019 is expected to be an outstanding year for economic development and growth in Boerne.

COMMUNITY VISION

Boerne – As Unique As Our Name!

The distinctive character of Boerne is embodied in a unique blend of historic Hill Country character and small-town charm, our warm and welcoming people, and our vibrant and tourist-friendly downtown.

- We understand the importance of embracing our German heritage and culture because it makes Boerne a special place to live and play, raise a family, work, visit, and retire.
- We recognize that high quality education and diversity in housing and employment opportunities will allow today's residents and future generations to live our "Texas Hill Country" experience throughout their lifetime.
- We value building a community as unique as our name through open and transparent government, balanced and sustainable growth, protection of our natural resources, diversification of housing and jobs, and a continued promotion of our distinguishing sense of place.

Our vision and values are timeless even as land use and growth policies may change. Our City goals and actions reflect practical application of these values and aspirations.

GUIDING PRINCIPLES

On August 28,2018 the Boerne City Council adopted the 2018 Boerne Master Plan. The "Plan" serves as a blueprint to guide future development and redevelopment based on the established vision. The Plan considers existing and future needs and determines actions that the community should pursue over time to realize the overall vision. Each of the 5 primary elements of the Plan have a direct correlation to economic development. Therefore, the Plan, as a whole, is used to shape the guiding principles for economic development.

The Plan establishes the following guiding principles specifically for economic development:

- Encourage commercial redevelopment opportunities consistent with Land Use and Community Livability policies.
- Continue to promote Boerne as an excellent and desirable place to locate a business.
- Continue to support existing business development and expansion opportunities and initiatives.
- Continue to promote economic development opportunities both within downtown and along the City's arterial corridors and activity centers. This includes strengthening and diversifying downtown's economic base on equal footing as efforts along the City's arterial corridors.
- Ensure that the City is a well-governed, transparent, and ethical organization that provides excellent customer service.

The Plan also establishes the following overall "Goal" specifically for economic development:

Foster a thriving and diverse economy through business attraction, retention, expansion, employment diversification and attraction of higher paying jobs, and destination amenities which maintain the overall financial viability of the City.

The Goal and supporting objectives are included in this work plan as an appendix.

The annual economic development work plan takes the Guiding Principles and establishes specific actions for the City's economic development team to work on during the fiscal year. Each of the work plan actions will have a direct correlation to the guiding principles.

In general, the economic development team will:

- ⇒ 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;
- ⇒ Pursue projects that will increase sales tax, hotel/motel tax, and ad valorem tax revenues with a focus on the balance of commercial versus residential tax base;
- ⇒ Endeavor to increase utility revenues 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 in-fill development to improve the efficiency and financial stability of the electric system;
- ⇒ Continue to promote economic development opportunities with emphasis on downtown, along the City's arterial corridors and activity centers and in the City's north side;
- ⇒ Seek development in identified target groups and seek projects which include high quality jobs;
- ⇒ Coordinate economic development efforts with the Boerne-Kendall County Economic Development Corporation (BKCEDC) and the Boerne Chamber of Commerce to best leverage the knowledge, skills and abilities of the economic development staff at each organization;
- ⇒ Utilize Boerne assets such as: quality of life, highly rated school system, proximity to San Antonio, and access to high speed, fiber internet services;
- ⇒ Endeavor to retain and/or improve quality of life and unique community identity during periods of rapid growth; and
- ⇒ Do all things that are necessary to meet the economic development goal of the Plan and achieve the Community Vision.

The Economic Development Team

A fully rounded economic development effort requires a team with diverse background and skills. The City's economic development team transcends department lines. The team is led by the Assistant City Manager– Development and includes individuals from the following departments:

- City Council
- City Manager's Office
- Planning and Community Development
- Public Works/Utilities
- Special Projects
- Convention and Visitor's Bureau
- Finance
- City Attorney

2019 Economic Development Projects

The City's economic development team will focus on the following projects in 2019:

Improving the Development Review Process

Simplifying and streamlining the development review process is a desire in just about every city across the nation. To improve the development review process, the team will utilize an established methodology that relies on a collaborative team effort to improve performance by systematically removing waste and reducing variation in the process.

As a part of the process improvement, the team will seek to hear the voice of the Customer. The development review process end result customers are the private land owners, developers and builders. Through a series of meetings, we will review the current processes and seek input on what is important to the customer.

Improving the development review process is an absolute necessity in putting the City in the position to take advantage of the current strong economy. Without significant improvement to the process, the benefits of the current economy will likely be underrealized.

Updating the City's Development Codes/Creation of a Unified Development Code

The adoption of the Master Plan means little without implementation. It is through the process of implementation that actions get translated into specific policies, operational changes, financial investments (e.g., capital improvements), further studies and new regulation. One of the first implementation actions is to update the regulations that direct development within the City.

It has been determined that a unified development code (UDC) would be the best approach for the following reasons. According to the American Planning Association, UDCs are beneficial for communities looking for a more comprehensive approach to land use regulation and economic development. A UDC is a helpful tool in accommodating neo-traditional and mixed-use development and providing a thorough and comprehensive approach to meeting goals such as environmental protection, transit, and mixed-housing types. They are perhaps most useful for cities experiencing rapid growth, where the streamlining of varied or complex development or enhanced control over economic development is desired. Because of the consolidated and streamlined requirements, a UDC affords stakeholders in the development process more predictability with respect to the standards for development and permit approval and can allow a reduction in process costs because of the increased efficiency. Creation of a UDC, however, can be a slow and expensive process. For a UDC to be effective, it must be backed up with carefully drafted standards and regulations, and often require broad policy determinations to be made. The process of gathering input, preparing, drafting, and adopting the final document requires a great deal of cooperation among stakeholders and time.

To develop a UDC that will implement the vision of the newly adopted Master Plan, the City will seek the assistance of a consultant experienced in creating UDCs. A template will likely include a series of modules, which will consist primarily of general provisions and procedures, a variety of district regulations, use standards, measurements and definitions that will combine the following documents:

1. Zoning Ordinance;

2. Subdivision Ordinance;

3. Development Plat Regulations; and

4. Sign Ordinance.

Also, the City's historic preservation regulations need to be updated to ensure that the appropriate levels of protections are in place that will ensure that the character of the community is preserved and enhanced, particularly in those areas that are historic in nature.

Mobility

Projections show that all major roadways leading into, out of and within Boerne will experience traffic levels well beyond the capacity of the existing roadways during peak travel times, if nothing is done. The result will be significant back-ups and long delays similar to what we currently see in larger metro areas today. The congestion will not only significantly increase travel time but it will also create more accidents, increase air pollution and cause drivers to cut through neighborhoods looking for ways to avoid the congestion. It will be bad for everyone who lives, works, shops or does anything else in and around Boerne. The expected level of congestion will adversely impact everyone's quality of life. With the rejection of the Kendall Gateway Study, we are now in a position in which we must find other solutions to meet our mobility needs.

The Master Plan mobility goal is: "Proactively plan for a multimodal transportation system to reduce congestion, accommodate anticipated travel demand, and provide quality of life amenities." We will begin the implementation of this goal by working on those action items identified in the Master Plan such as:

- Prepare an update to the City's Thoroughfare Plan.
- Continue to actively participate in regional transportation planning efforts to promote funding and infrastructure improvements which benefit Boerne.
- Consider acquiring the rights-of-way of Main Street/Highway 87 from TxDOT and consider available opportunities to establish a new truck route ordinance to reroute truck traffic away from Main Street.
- Identify funding and evaluate opportunities to increase the multi-modal transportation options with Boerne.

Improving Public Infrastructure to Create More Development Ready Sites

This is a multi-step process that includes:

- Identification of target areas.
- Inventory of existing infrastructure within the target areas.
- Assessment of existing infrastructure within the target areas.
- Identification and scoping of infrastructure enhancement, improvement and/or expansion projects.
- Prioritization of projects.
- Identification of funding sources for projects.
- Implementation (funding, design and construction) of projects.

Public infrastructure includes the following systems: transportation (streets), water, reclaimed water, waste water, electric and natural gas. The full process will result in new infrastructure projects.

Tourism

Tourism and destination promotion plays a major role in the economic health of the Boerne community. Destination promotion raises the community's profile opening the door to enhanced opportunities for traditional business relocation, expansion, and new start-ups to occur. Destination promotion also contributes substantially to highlighting the quality of life issues critical to the relocation decision as well as resident's attitude about where they live. Attracting tourists to the community and destination promotion falls within the realm of the Convention and Visitors Bureau (CVB).

The CVB will continue to provide services assisting hoteliers, retailers and other organizations with strategic planning, revenue and occupancy forecasting and advertising and marketing campaigns as needed throughout the year. The CVB will continue to market Boerne as a tourism destination and economic generator through the following:

- Advertising - Individual/Transient advertising; Group advertising; Internet advertising; Social media presence; Selective print; E-Newsletters.
- Public Relations - Seek opportunities to partner with SACVB to market Boerne as a tourism destination in all market segments; Be a resource for Boerne businesses for community events/festivals by advertising and marketing those events; continue to nurture 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; Provide quarterly updates and reports to City Manager and City Council.
- Community Support - The CVB will continue to assist the Special Projects Department by providing support for community events, such as Dickens on Main, the Hill Country Mile, and public arts.

The big news for the CVB this year will be the completion the new Visitors Center facility located at 282 N. Main St. (corner of Lohmann @ N. Main St.) scheduled to be completed in early 2019. With the relocation of the visitor's center to downtown Boerne on the Hill Country Mile, the CVB will be able to better service our visitors as to all the happenings in and around Boerne.

In addition, The Bevy Hotel, a Doubletree by Hilton will be opening in the spring of 2019. With its 120 contemporary rooms and over 8,000 square feet of flexible meeting space, this new property will allow Boerne to enter into the meetings and conference market, which we have not had the opportunity to participate in due to the lack of meeting and conference space. In addition, this should allow the overall hotel average daily rate to increase due to the new market segment. However, there are several projects that are already in the implementation phase.

Placemaking

Placemaking is the process of creating quality places where people want to live, work, play, shop, learn, and visit. Placemaking plays a key role in economic development. It differentiates a community and creates an experience that draws tourists and new residents.

Placemaking as an economic development strategy is especially important given the extreme shifts in what it takes for a community to be competitive today. Quality places can be as important, or more important, than available jobs in attracting and retaining talent. The simple reason why is because many talented workers can live anywhere they want, and increasingly, they are choosing where to live based on the quality of places involved. They move there, and then look for a job or work from home.

All place-based projects and activities have the potential to improve local quality of life and attractiveness for additional new development or redevelopment. But considerable study by others of high-quality places around the globe demonstrates that only those place-based projects and activities with a physical form that is appropriate for their location on the transect (that means they must have a human scale, be walkable and bikeable, and represent land uses that serve a compatible function in the place they are proposed) have the potential to also enhance economic and community development or redevelopment in a particular area.

Placemaking primarily falls within the realm of special projects. Special projects will include:

- Continuation of the Public Art program, which includes Art Al Fresco and Municipal Public Art Collection,
- Continuation of the Hill Country Mile marketing and promotion effort.
- Downtown development including parking and streetscape enhancements.
- Continuation of the Dickens on Main event and Weihnachts parade.
- Downtown special events.

Coordination with Partners

The City's economic development team will work with our economic development partners in 2019 for the following:

- Marketing the community and our opportunities for growth.
- Recruiting new businesses.
- Retaining existing businesses.
- Helping existing businesses grow.
- Developing opportunities for small businesses.

We need to define our expectations for our partners and determine how to measure the outcomes of our partners' efforts. Of the coordination items, recruiting new businesses is of keen interest to the City. We will use tools such as the recently completed Retail Coach report to help establish business sectors that should be targeted for recruitment.

Coordination with our partners includes addressing workforce issues. Having an adequate workforce to support continued economic growth is a nationwide challenge. To address this issue in Boerne, we are working with our partners, Boerne ISD, Chamber of Commerce and EDC. Also, focusing on quality of life indicators as we are throughout our economic development program, we make our community more attractive to talent that first seeks a place to live and then works from where they have chosen to live.

Key Performance Indicators

To better understand how the economic development function is performing, we will be establishing key performance indicators. It is difficult to measure the direct impact of any single economic development activity. However, the key performance indicators will enable us to measure the overall impacts of the economic development effort. From the City's perspective, key performance indicators may be change in population and revenue with revenue including ad valorem tax, sales tax and utility sales. It will be important to select key performance indicators that are easy to measure and track over time.

Establishment of key performance indicators will require research to identify the performance indicators that are most common within the economic development industry today. Through working with our partners, stakeholders and policy makers, we will select those performance indicators that are key to our community. After the key performance indicators have been selected, we will collect the data that is necessary to begin monitoring how each of our indicators perform. The expectation is that if the indicators are performing well, then the economic development activity is being successful.

Progress Reporting

Progress reporting is important for the stakeholders to know that progress is being made towards the realization of the established vision. Both periodic (quarterly) and project milestone completion reporting will occur.

Appendix A - Master Plan

Economic Development

GOAL 5: Foster a thriving and diverse economy through business attraction, retention, expansion, employment diversification and attraction of higher paying jobs, and destination amenities which maintain the overall financial viability of the City.

Objective 5.1: Fostering sustainable quality economic growth in Boerne

Action 5.1.1, Continue to develop an annual budget, the CIP, and the Economic Development Work Plan to ensure a proactive and coordinated course of action for current and future economic development efforts.

On an annual basis, the City creates an operating budget and Capital Improvement Plan (CIP). It is essential that these financial plans are used to ensure the financial integrity of the City so that adequate revenues and reserves are maintained to protect or improve the City's bond ratings. In so doing, accomplishing the community's visions and goals as described throughout the comprehensive plan is made possible. The City's primary mission for economic development is to increase and diversify the City's revenues for all of these purposes. This includes revenue from utility operations as well as ad valorem and sales tax growth. The City's electric service area is confined to a small area and maximizing revenue within these constraints is very important to the system and its ability to support economic development and City operations. The City also develops an annual update to the Boerne Economic Development Work Plan, which is intended to provide a guide of economic development efforts for the next 12-month period. The 2018 update was the sixth plan created using this framework. The plan is created in concert with the BKCEDC to ensure efforts are mutually supportive and coordinated. The plan highlights the key partners in the City who are all working towards improving the economic competitiveness and overall quality of life for the Boerne community.

Prior work plans have primarily focused on growing the tax base, increasing sales tax and utility revenues, and capital projects that facilitate this growth in targeted areas. Future plans should also place an emphasis on attraction of businesses that would bring higher paying jobs in order to make Boerne a more self-sustaining City with less reliance on San Antonio. Moving forward, continuing to support this annual effort creates a strong blueprint for how to both plan for and track progress on an annual basis.

Action 5.1.2. Maintain and/or expand support for an effective and coordinated business attraction, retention, and expansion (BRE) program.

The BKCEDC and the City of Boerne work in tandem to identify local companies that will benefit from this type of program. The focus of this program is to identify opportunities to express appreciation to local companies for choosing to do business in Boerne/Kendall County; to educate existing business owners about potential resources available to them (i.e., City or EDC programs and incentives), to help business owners in identifying problems and mitigating potential risks; and to identify and facilitate connections between existing businesses and suppliers. Maintaining and expanding existing businesses is an essential component of any economic development program, and as such, should continue to be supported on an ongoing basis.

Action 5.1.3, Evaluate opportunities to expand incentives and other assistance for residential and nonresidential property owners to reinvest in their properties.

Promoting business expansion, like business retention efforts, is done through responding to the needs of a business. In order to expand, businesses generally need access to additional employees, building space, capital to purchase new equipment, or new suppliers/customers. The role for economic developers and the Greater Chamber of Commerce should be to ensure the availability of these resources for businesses. Workforce training programs can help to create a larger pipeline of local talent. Business attraction efforts can be targeted to potential suppliers and customers for local businesses. Business improvement grants can be made to qualified businesses to encourage capital investments in new facilities and equipment. These targeted incentives can meet the growth objectives of the community. Moving forward, Kendall County and the BKCEDC should continue to identify additional opportunities to expand cost effective incentives or provide other assistance to the Boerne business community and/or applicable property owners.

Action 5.1.4, Evaluate opportunities to increase entrepreneurship in Boerne.

Entrepreneurs can be found everywhere, not just in large cities. Being an entrepreneur requires talent, knowledge, and an understanding and tolerance of the inherent risks related to bringing an idea for a new product or service to market. It oftentimes also requires a little bit of support to get started. In this regard, some communities and their chambers of commerce play a stronger role in helping entrepreneurs get off the ground. This could be in the form of seed money, training, and many other forms. Others go a little bit further and establish a fully sponsored small business incubator. A business incubator nurtures development of entrepreneurs by helping them survive and grow during the early start-up period, when they are most vulnerable. These programs typically combine low-cost office space (fully equipped for a small business) with business services and education tailored to young firms and entrepreneurial individuals. As the City continues to advance its economic efforts, considering a business incubator could help to create a strong entrepreneurial culture in Boerne.

Action 5.1.5, Continue to support efforts to increase the establishment of place-based economic opportunities in Boerne.

Traditionally, economic development efforts were solely placed on the attraction, and later, the retention of businesses. This approach depended heavily on large incentives (e.g., tax abatements), free land, reduced costs for infrastructure, or reduced time for processing. While these are still extremely important, the business environment of the 21st century has undergone drastic changes as the national economy has slowly transitioned from a manufacturing-based economy to more of a service-based economy. Today, a greater focus is placed on economic development as it relates to people – their skills and talent, their education, and increasingly, their demand for living in quality places. As such, many economic development organizations are spending additional efforts and attention on place-based investments such as downtown improvements. In Boerne, it is no different. As seen elsewhere in these recommendations, there have been several City of Boerne plans or studies which are intended to create quality new developments within Boerne (see Actions 2.2.5 and 2.2.6). In this regard, the City's Economic Development Department understands that creating places where people want to live, work, and play, increases the overall economic attractiveness and competitiveness of the City. Moving forward, the City and the BKCEDC should continue to work together to facilitate the creation of more of these around Boerne through incentives, public-private partnerships, or through other programs or mechanisms.

Action 5.1.6, Consider increased support for efforts to create destination amenities in Boerne.

Today, quality parks, recreation, trails, and other amenities are considered equally as important as the traditional provision of providing infrastructure and public safety. Particularly in more affluent communities, these types of "destination amenities" are becoming differentiators in determining where people (and by association, businesses) want to live in today's more connected and mobile world. Increasingly, these types of amenities become attractors for new residents and businesses who want to live, work, and play in a community that has these resources available. They also serve to attract visitors thereby strengthening the economic health of the community.

Action 5.1.7, Consider and/or expand support for the Boerne Convention and Visitors Bureau (CVB).

Boerne has positioned itself as a premier destination in the Texas Hill Country, as well as the State of Texas, and continues to be an economic driver in the tourism-related industry. The City should continue to work in cooperation with its community partners to market Boerne as a "destination". The City should continue its promotion of Boerne through extensive advertising to cover all media outlets (i.e., radio and television promotion, print and internet advertising, social media, and direct mail) and its support of the Convention and Visitors Bureau (CVB). The Boerne CVB should continue to lead the charge in the promotion of the City as a tourism destination and continue to develop market research to understand where its out of town guests come from, what their interests are, and how to capture overnight stays. Boerne hotels are performing at the highest level

in the history of the City and with the addition of Boerne's first full service hotel and conference center, tourism's future has never been greater. With the projected growth in the residential population and commercial properties, the City can expect an increase in the real estate interest from additional hotel and motel developers. In order to stay relevant and competitive as a prime tourism destination (and soon to be a sought-after conference destination), Boerne must be consistent in its branding of the City and also ensure that its hotel property inventory expands as the City becomes more in demand. Boerne's historic downtown and its Hill Country Mile continue to be the draw for shopping, dining, and overnight stays. The Boerne CVB's new visitor center located on the Hill Country Mile will be a new source for everything Boerne and the Texas Hill Country.

Action 5.1.8, Consider opportunities for partnering to attract a future community college or higher education institutional campus to the Boerne area.

It is widely understood that a quality education is increasingly a critical component of an overall economic development work program. Boerne already benefits from an excellent primary and secondary school system, but is currently lacking a local college-level facility. Moving forward, the City should continue to pursue partners to determine if there is a viable opportunity to establish a post secondary institution in or near the City. This opportunity could later be utilized, not only at the college but other City institutions such as the library, to offer workforce development and education programs in association with existing or future Boerne businesses.

Action 5.1.9, Consider support for the development of an economic development strategic analysis.

Although the City undertakes an annual update of its Economic Development Work Plan, it may be prudent to consider a longer-term economic strategy that analyzes the broader questions of "where do we want to go?" and "how are we going to get there?" This strategic analysis should identify community economic goals and actions for the next five years and beyond, as well as identifying who is responsible for initiation and appropriate funding responsibilities or mechanisms. The goals should be prioritized and contain actionable objectives focusing on how the City and BKCEDC can partner together to continue to improve Boerne's economic attractiveness and resiliency.

Action 5.1.10, Seek economic development initiatives to expand and diversify employment opportunities including higher paying jobs.

Continue to identify economic development initiatives to expand and diversify employment opportunities, including higher paying jobs, in Boerne.

Appendix B

2018 Revenue Enhancement/Diversification

Ongoing growth in revenues of all types including new sources such as the Reclaimed Water Utility remained a focus in 2018 with outstanding results. Once again, the city experienced strong growth rates in all utilities in terms of customer count, sales and margin while at the same time increasing revenue from taxes and fees including Ad Valorem, Sales & Use, and Hotel/Motel. Enhanced revenues provide the city with the means to meet rising costs, retain staff and provide for new and improved quality of life aspects for the community without raising the tax rate on Ad Valorem values.

Economic Development efforts of the last 6 years that were focused on retail additions have produced substantial increases in both Sales & Use tax and Ad Valorem tax revenues. In the last 12-month period, revenue from AV taxes increased by over 7% including new additions to the tax rolls. Over the 6-year period since the start of the city's focused economic development efforts, AV tax revenues have increased by over $2.5m per year, a 50% increase, or 8.18% per year on average, from $5m in collections in 2012 to $7.5m in 2018. Similarly, Sales tax collections have increased by 46% over the same period from $4.7m to $6.9m per year, an average of 7.7% per year. The city entered into two Use Tax agreements in 2018 creating a new source of tax revenue associated with growth in residential home construction, which remains at all-time peak levels with 325 new home permits issued last year. Both types of tax revenue have far outpaced the population growth rate in Boerne which has averaged 4-5% per year. Combined, the new tax revenue to the city is providing an additional $4.7m per year in 2018 over 2012 collections, an increase of 48% from those sources.

Gas System customer growth continued to lead the way for utilities at 12.9% in 2018, more than doubling customer count, sales, and revenues since growing the system became a primary goal 6 years ago. Water system growth at 7% and Sewer system growth at 6.4% also remained strong and consistent. Despite being constrained by service territory boundaries that surround it, the Electric System continued to show strong growth at 2.3%. Infill projects remain a target for these reasons.

The Reclaimed Water System customer count grew from 175 to 288 and will continue to contribute revenue to the water system from a totally new resource.

While a focus on new revenue and retail growth remains a goal, the city will also focus on infrastructure improvements and additions to provide a catalyst for growth of all types.

Economic Development Staff

- Ron Bowman, City Manager
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- Jeff Thompson, Deputy City Manager
- Laura Talley, Planning and Community Services Director
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