



Meeting Date: April 25, 2024 **Agenda Type:** Action Items

From: Jesse Luna **Reviewed by:** David Hubbard
Purchasing Manager Chief Administrative Officer

Submitted by: David Hubbard **Approved by:** Ryan Kelso
Chief Administrative Officer Chief Executive Officer

RECOMMENDED ACTION: Reject All Proposals Submitted for the Purchase and Development of the Real Property and Improvements Located at 263 Main Plaza In Connection with RFQ# 02601 and RFP# 02601-2 and Authorize the CEO or His Designee to Terminate the Memorandum of Understanding Dated February 25, 2022, Between NBU and Seals Family Properties, LLC, Regarding the Same

BACKGROUND

On January 11, 2021, New Braunfels Utilities (“NBU”) issued a request for qualifications, RFQ# 02601, for developers interested in the purchase and development of the real property and improvements located at 263 Main Plaza, New Braunfels, Texas 78130 (the “Main Plaza Property”). Proposals were due February 5, 2021. NBU received six responses and, after careful consideration, selected the three most qualified respondents. A subsequent request for proposals, RFP# 02601-2, was issued to those three respondents on May 24, 2021, with the proposals due July 28, 2021. NBU evaluated the three proposals and recommended entering into a memorandum of understanding (the “MOU”) with Seals Family Properties, LLC (the “Developer”) to proceed with negotiations for the purchase and development of the Main Plaza Property. The Board approved the proposed MOU at its regularly scheduled Board meeting on February 24, 2022, and the parties entered into the MOU on February 25, 2022.

The terms of the MOU require the parties to present a term sheet and a development agreement to the NBU Board no later than August 25, 2022, and April 2023, respectively. While NBU and the Developer engaged in a series of negotiations, the terms of the MOU have not been satisfied. As a result, NBU staff recommends that the Board end negotiations with the Developer and terminate the MOU. If the NBU Board approves termination of the MOU, NBU staff will provide notice of termination to the Developer in accordance with the terms of the MOU.

NBU staff requests that the Board of Trustees (i) reject all proposals submitted for the purchase and development of the Main Plaza Property in connection with RFQ# 02601 and RFP #02601-2 and (ii) authorize the CEO or his designee to terminate the MOU.

This item is being presented to the Board because the Purchasing Policy and Section 252.043(f) of the Local Government Code require the governing body to authorize the rejection of all bids submitted in

response to a solicitation. In addition, the Board must consider whether to approve termination of the MOU because the MOU is a previously Board-approved item.

FINANCIAL IMPACT

There is no financial impact.

LINK TO STRATEGIC PLAN

Customers and Community

People and Culture

Stewardship

EXHIBITS

None