



ECONOMIC DEVELOPMENT CORPORATION

To: Donna Dodgen, Mayor
Seguin City Council

CC: Steve Parker, City Manager
Mark Kennedy, City Attorney

From: Josh Schneuker
Director of Economic Development | SEDC Executive Director

Date: 11-18-2025

Subject: Resolution to Approve an Interlocal Agreement Between Guadalupe County and the City of Seguin for Participation in TIRZ #3

Overview

On October 21, 2025, the City Council of the City of Seguin approved Ordinance No. 2025-058, establishing Tax Increment Reinvestment Zone Number Three (TIRZ #3) within the Seguin City limits. Included in this ordinance was the establishment of the boundaries and term of the zone and a Board of Directors, made up of the members of the Seguin City Council and representatives from any additional participating entities, with the Mayor serving as board Chair. This Board would act as recommending body for all TIRZ #3 administration activities to the City Council, who retains authority to approve Board considerations. On November 4, 2025, the TIRZ #3 Board of Directors approved a Resolution authorizing a Final Project and Financing Plan for the zone, which was then passed on second reading at the November 18, 2025, City of Seguin Council meeting; thus effectively establishing TIRZ #3 and setting participation levels at the local level.

The City Council agreed to set the participation level in TIRZ #3 at the following:

- 50% of the City's real property tax increment generated within the TIRZ #3 boundaries for the full term of the zone (30 years), and
- 75% of the City's sales tax increment generated within the TIRZ #3 boundaries for a period of ten (10) years; followed by,
- 50% of the City's sales tax increment generated within the TIRZ #3 boundaries for the remainder of the term of the zone, years eleven (11) through thirty (30).

In an effort to further enhance the ability of TIRZ #3 to realize a productive and fiscally beneficial return, Guadalupe County has agreed to also contribute a portion of their tax increment within the zone's boundaries to the TIRZ #3 fund, via an Interlocal Agreement with the City of Seguin. This Interlocal Agreement was approved at Commissioner's Court on Tuesday, November 18, 2025, and is now up for consideration before Council.

Interlocal Agreement Terms

As also outlined within the TIRZ #3 creation Ordinance, the Interlocal Agreement provides that Guadalupe County shall have representation on the TIRZ #3 Board of Directors via one (1) nominated Commissioner. Further, the County requests the option to appoint a second member to the Board of Directors at a later date, should they find cause for added representation. This member could be any person within the County they appoint, not only another Commissioner, but would require first an amendment to the creation ordinance to allow such a position. An annual reimbursement to the County for any costs assumed due to the administration burden of TIRZ #3 is additionally outlined in the

Interlocal Agreement at an amount not-to-exceed \$10,000. Any administrative costs requested would have to be justified and documented and the reimbursement would solely come from the County's portion of fund increment, not from the City of Seguin.

Additionally, this Interlocal Agreement outlines the participation level in TIRZ #3 that Guadalupe County is willing to agree to, including:

- 50% of the County's real property tax increment generated within the TIRZ #3 boundaries for the full term of the zone (30 years), and
- 50% of the County's sales tax increment generated within the TIRZ #3 boundaries for a period of ten (10) years and then terminating completely thereafter, unless otherwise extended.

With Guadalupe County's participation in TIRZ #3, interest in the future of the zone becomes more wholly and surely a cooperative partnership, the financial opportunities for reinvestment into the zone are significantly enhanced, and the ability for development to occur more robustly and at a quicker pace is established, effectively increasing the economic potential of this important zone for the community.

Fiscal Impact

None

Staff Recommendation

Staff recommends approval of the Resolution approving and authorizing the City Manager to execute the Interlocal Agreement between Guadalupe County and the City of Seguin for participation in Tax Increment Reinvestment Zone Number Three (TIRZ #3).

Attachments

1. Resolution Approving Interlocal Agreement
2. TIRZ No 3 Interlocal Agreement
 - a. Executed Ordinance 2025-058