



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: 08-05-2025

Subject: Amendment to Tax Abatement Agreement – CSP of Texas, LLC

Historical Background

On July 16, 2019, the City of Seguin entered into a five-year Property Tax Abatement Agreement with CSP of Texas, LLC (doing business as Teijin Automotive Technologies). The agreement included a provision allowing Teijin to extend the abatement period for an additional five years (“Extended Abatement Time Period”), contingent upon the company committing to employ at least 285 full-time equivalent positions by December 31, 2026, and maintaining that employment level through the remainder of the agreement term.

Teijin formally elected to invoke the Extended Abatement Time Period in a letter dated November 30, 2021. The City accepted this election on December 20, 2021, thereby activating the extension provision outlined in the agreement.

On May 7, 2025, Teijin submitted a letter to the City requesting to rescind its prior election to enter the Extended Abatement Time Period and to revert the agreement to its original five-year term, concluding on January 1, 2026. This letter was executed by Teijin’s Chief Financial Officer, Steven Wisniewski, and the City Manager, Steve Parker. The executed letter serves as the formal amendment to the original Tax Abatement Agreement, contingent upon City Council approval.

CSP of Texas, LLC also maintains a separate tax abatement agreement with Guadalupe County. The County is expected to consider a similar amendment to its agreement at the Commissioners Court meeting scheduled for August 12, 2025.

Action Requested

City Council approval of an amendment to the existing Tax Abatement Agreement with CSP of Texas, LLC (Teijin Automotive Technologies), as presented in the executed letter dated May 7, 2025. This letter, signed by both the City Manager and Teijin’s CFO, serves as the official instrument by which the City and Teijin agree to rescind the Extended Abatement Time Period and to allow the agreement to terminate on January 1, 2026, as originally scheduled.

Fiscal Impact

There is no fiscal impact to the City. The Extended Abatement Time Period was not scheduled to begin until January 1, 2026, and no additional abatement benefits have been granted or realized under the extension.

Staff Recommendation

City staff recommends approval of the proposed amendment to the Tax Abatement Agreement with CSP of Texas, LLC, as outlined in the executed letter dated May 7, 2025. Teijin has remained in full compliance with the terms of the original agreement during its initial term. Allowing the company to rescind its extension election acknowledges changing business conditions while maintaining the integrity of the original agreement and ensuring there is no negative financial impact to the City.

Attachments

- Original Tax Abatement Agreement between the City of Seguin and CSP of Texas, LLC
- Executed Letter from CSP of Texas, LLC and the City of Seguin Rescinding the Extended Abatement Time Period Election (dated May 7, 2025)