

ORDINANCE NO. 2020-2020-1678

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SEGUIN, TEXAS DESIGNATING A GEOGRAPHIC AREA WITHIN THE CITY OF SEGUIN AS A REINVESTMENT ZONE FOR TAX INCREMENT FINANCING PURPOSES PURSUANT TO CHAPTER 311 OF THE TEXAS TAX CODE TO BE KNOWN AS TAX INCREMENT REINVESTMENT ZONE NUMBER ONE, CITY OF SEGUIN; DESCRIBING THE BOUNDARIES OF THE ZONE; CREATING A BOARD OF DIRECTORS FOR THE ZONE; ESTABLISHING A TAX INCREMENT FUND FOR THE ZONE; CONTAINING FINDINGS AND PROVISIONS RELATED TO THE CREATION OF THE ZONE; PROVIDING A DATE FOR THE TERMINATION OF THE ZONE; PROVIDING THAT THE ZONE TAKE EFFECT IMMEDIATELY UPON PASSAGE OF THE ORDINANCE; PROVIDING A SEVERABILITY CLAUSE; PROVIDING FOR PUBLICATION; AND DECLARING AN EFFECTIVE DATE.

WHEREAS, the City of Seguin, Texas (the "City"), pursuant to the Tax Increment Financing Act, Chapter 311 of the Texas Tax Code, (the "Act") may designate a geographic area within the City as a tax increment reinvestment zone if the area satisfies the requirements of the Act; and,

WHEREAS, the Act provides that the governing body of a municipality by ordinance may designate a geographic area that is in the corporate limits or extra-territorial jurisdiction of the municipality to be a reinvestment zone if the governing body determines that development or redevelopment would not occur solely through private investment in the reasonably foreseeable future; and,

WHEREAS, the City Council desires to promote the development of a certain geographic area in the City, which is more specifically described as being 150.7 Acres of land more or less as depicted and described on the attached Exhibit "A" and incorporated herein, through the creation of a new reinvestment zone as authorized by and in accordance with the Act; and,

WHEREAS, pursuant to and required by the Act, the City has prepared a *Preliminary Reinvestment Zone Project and Financing Plan for the Seguin Tax Increment Reinvestment Zone #1, City of Seguin*, attached as Exhibit "B" (hereinafter referred to as the "Preliminary Project and Finance Plan"); and,

WHEREAS, notice of the public hearing on the creation of the zone was published on Sunday, July 28, 2024 in *The Seguin Gazette*, a newspaper of general circulation in the city of Seguin, which date is before the seventh (7th) day before the public hearing held on August 6, 2024; and,

WHEREAS, at the public hearing on August 6, 2024, interested persons were allowed to speak for or against the creation of the zone, its boundaries, or the concept of tax increment financing, and owners of property in the zone were given a reasonable opportunity to protest the inclusion of their property in the zone; the public hearing was held in full accordance with Section 311.003(c) of the Act; and,

WHEREAS, evidence was received and presented at the public hearing in favor of the creation of the zone; and,

WHEREAS, after all comments and evidence, both written and oral, were received by the City Commission, the public hearing was closed on August 6, 2024; and,

WHEREAS, the City has taken all actions required to create the zone including, but not limited to, all actions required by the home-rule Charter of the City, the Act, the Texas Open Meetings Act, and all other laws applicable to the creation of the zone; and,

WHEREAS, the percentage of the property in the zone, excluding property that is publicly owned, that is currently used for residential purposes is less than thirty (30) percent; and,

WHEREAS, a Preliminary Project and Finance Plan has been prepared for the zone.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SEGUIN, TEXAS:

Section 1. The facts and recitations contained in the preamble of this Ordinance are hereby found and declared to be true and correct.

Section 2. The City Council, after conducting the above described hearing and having heard the evidence and testimony presented at the hearing, has made the following findings and determined based on the evidence and testimony presented to it:

- (a) That the public hearing on creation of the zone has been properly called, held, and conducted and that notice of such hearing has been published as required by law.
- (b) That the proposed improvements in the zone will significantly enhance the value of all the taxable real property in the zone and will be of general benefit to the City.
- (c) That the zone meets the criteria and requirements of the Act because the zone substantially arrests and impairs the sound growth of the City, retards the provision of housing accommodations, constitutes an economic and social liability and is a menace to the public health, safety, morals, and welfare in its present condition and use because of the presence of:
 1. a substantial number of substandard, deteriorated, and deteriorating structures;
 2. the predominance of defective or inadequate sidewalk and street layout; and
 3. the deterioration of site or other improvements.
- (d) That the zone is a geographic area located within the corporate limits of the City of Seguin;
- (e) That less than thirty percent (30%) of the property in the zone, excluding property that is publicly owned, is used for residential purposes;
- (f) That the total appraised value of taxable real property in the zone, and in existing reinvestment zones of the City, does not exceed fifty percent (50%) of the total appraised value of taxable real property in the City and in industrial districts created by the City; and
- (g) That development or redevelopment of the property within the boundaries of the zone

will not occur solely through private investment in the reasonably foreseeable future.

Section 3. That the City, acting under the provisions of the Act, does hereby designate as a reinvestment zone, and create and designate a reinvestment zone over the area more specifically described as being 150.7 Acres of land more or less as depicted and described on the attached Exhibit "A" and incorporated herein to promote the development of the area. The reinvestment zone shall hereafter be named for identification as Seguin Tax Increment Reinvestment Zone Number One, City of Seguin, Texas ("TIRZ #1").

Section 4. A board of directors (the "Board") is hereby created for Seguin Tax Increment Reinvestment Zone One, City of Seguin ("TIRZ No. 1") as provided herein. The Board shall be appointed as follows:

- (a) The Board shall consist of five members appointed by the City Council of the City of Seguin. The initial board of directors shall be appointed by resolution within 60 days of the passage of this ordinance. The creation and composition of the board of directors shall follow all rules established in Texas Tax Code section 311.009.
- (b) Any additional taxing entity joining the TIRZ shall be entitled to point two additional board members, as long as the Board will not exceed 15 members.
- (c) The terms of the board of directors shall be two-year terms, beginning on the effective date of this ordinance. The City Council shall designate a member of the board to serve as chairperson of the board of directors, and the board shall elect from its members a vice chairperson and other officers as it sees fit.
- (d) The board of directors shall make recommendations to the City Council concerning the administration of the Zone. It shall prepare or cause to be prepared and adopt a project plan and reinvestment zone financing plan for the Zone and shall submit such plans to the City Council for its approval. The City hereby delegates to the board of directors all powers necessary to prepare, implement and monitor such project plan and financing plan for the reinvestment zone, subject to approval by the City Council, including the submission of an annual report on the status of the Zone.

Section 5. That TIRZ #1 shall take effect immediately upon the passage and approval of this Ordinance, and termination of the operation of TIRZ #1 shall occur on December 31, 2049, or at an earlier time designated by subsequent ordinance, or at such time, subsequent to the issuance of tax increment bonds, if any, that all project costs, tax increment bonds, and the interest on the bonds, have been paid in full.

Section 6. That the Tax Increment Base of the City or any other taxing unit participating in TIRZ #1 is the total appraised value of all real property taxable by the City or other taxing unit participating in TIRZ #1 and located in TIRZ #1, determined as of January 1, 2024, the year in which TIRZ #1 is designated as a reinvestment TIRZ #1 (the "Tax Increment Base"). Taxable value as certified by the Guadalupe Appraisal District for tax year 2024 totals \$64,637,398.

Section 7. That there is hereby created and established a Tax Increment Fund for TIRZ #1 which may be divided into subaccounts as authorized by subsequent ordinances. All Tax Increments, as defined below, shall be deposited in the Tax Increment Fund. The Tax Increment Fund and any

subaccount shall be maintained at the depository bank of the City and shall be secured in the manner prescribed by law for funds of Texas cities. The annual Tax Increment shall equal the percentage of the tax increment, as defined by Section 311.012(a) of the Act that each participating taxing jurisdiction unit, other than the City, which levies real property taxes in TIRZ #1 has elected to dedicate to the Tax Increment Fund under agreement with the City, plus seventy-five percent (75%) of the City's portion of the tax increment, as defined by Section 311.012(a) of the Act, less any amounts that are to be allocated from the Tax Increment pursuant to the Act. All revenues from the sale of any tax increment bonds, notes, or other obligations hereafter issued by the City for the benefit of TIRZ #1, if any; revenues from the sale of property acquired as part of the project plan and reinvestment TIRZ #1 financing plan, if any; and other revenues to be used in TIRZ #1 shall be deposited into the Tax Increment Fund. Prior to termination of TIRZ #1, money shall be disbursed from the Tax Increment Fund only to pay project costs, as defined by the Act, for TIRZ #1, to satisfy the claims of holders of tax increments bonds or notes issued for TIRZ #1, or to pay obligations incurred pursuant to agreements entered into to implement the project plan and reinvestment TIRZ #1 financing plan and achieve their purposes pursuant to Section 311.010(b) of the Act.

Section 8. That should any section, clause or provision of this ordinance be declared by a court of competent jurisdiction to be invalid, the same shall not affect the validity of this ordinance or any other ordinance of the City as a whole or any part thereof, other than the part so declared invalid.

Section 9. It is hereby found, determined and declared that a sufficient written notice of the date, hour, place and subject of the meeting of the City Council at which this Ordinance was adopted was posted at a place convenient and readily accessible at all times to the general public at City Hall for the time required by law preceding this meeting, as required by the Open Meetings Law, Texas Government Code, Chapter 551, and that this meeting has been open to the public as required by law at all times during which this Ordinance and the subject matter hereof have been discussed, considered and formally acted upon. The City Commission further ratifies, approves and confirms such written notice and the contents and posting thereof.

Section 10. That this Ordinance shall take effect immediately upon its adoption and publication in accordance with and as provided by Section 311.004(a)(3) of the Act and the City's Charter.

INTRODUCED at a public hearing on August 6, 2024. Passed at First Reading on August 6, 2024. PASSED at Second and Final Reading and ADOPTED, APPROVED and ENACTED on August 20, 2024.

BY: _____
Donna Dodgen
Mayor

ATTEST: _____

Kristin Mueller
City Secretary

**EXHIBIT “A” SEGUIN TIRZ #1 PROPERTY
MAP**

**EXHIBIT “B” PRELIMINARY PROJECT &
FINANCING PLAN**