



**ECONOMIC
DEVELOPMENT
CORPORATION**

MEMORANDUM

To: Mayor Don Keil
Seguin City Council

CC: Steve Parker, City Manager
Andy Quittner, City Attorney

From: Josh Schneuker, Executive Director/Director of Economic Development

Date: April 8, 2020

Subject: HVAC System Replacement at the CTTC – SEDC Funding Contribution

Since its inception, the communities of Seguin and New Braunfels have partnered to grow the building footprint and the workforce educational programs offered through the Alamo Colleges at the Central Texas Technology Center. Several Seguin based companies such as Caterpillar, CMC Steel, Vitesco Technologies and the Guadalupe Regional Medical Center have all hired CTTC graduates and utilized the workforce training programs to grow the skills of incumbent workers. The CTTC is a major asset for the City of Seguin and has contributed to the economic development successes seen within the City over the past 10 years.

Recently, the CTTC has been dealing with a significant HVAC problem in Building 1. After further troubleshooting, the Alamo Colleges and the City of New Braunfels made the CTTC Advisory Board aware that the HVAC system in Building 1 will need to be replaced. If the system is not replaced, equipment within Building 1 that requires certain temperature controls such as computers and CNC machines could be damaged. In addition, the Alamo Colleges could be forced to cancel several workforce training courses that are housed within Building 1. The City of Seguin and the SEDC were first approached about possibly contributing funds to the HVAC system replacement project in the Fall of 2019. At the time, both the City and the EDC declined participation. On January 23, 2020, representatives from the City of Seguin and the SEDC met with CTTC Advisory Board President Mark Long to discuss the HVAC system replacement project, as well as the importance of the CTTC to the Seguin community. Following the meeting, it was made clear that the improvements were needed immediately, and in order for the City of Seguin and its businesses to continue to utilize this asset, the City and EDC would need to contribute financially to the project.

Original estimates to replace the HVAC system in Building 1 of the CTTC were \$800,000 to \$900,000. The City of New Braunfels has since been able to get costs down for the project to \$410,000. The Seguin City

Council was briefed about the matter on February 18, 2020 and support the contribution of funding in the amount of \$150,000 to help replace the HVAC system at the CTTC. The City requested that the SEDC partner with them to fund this expense. Below is a breakdown of how the improvements will be funded:

Entity	Funding Contribution	Notes
City of New Braunfels by way of the NBEDC	Up Front: \$410,000 Following Seguin Contribution: \$235,000	The NBEDC has approved an expenditure not to exceed \$410,000 for the replacement of the CTTC HVAC system in Building 1. The \$410,000 will be directed to the City of New Braunfels who will fund 100% of the project upfront.
City of Seguin and SEDC	\$150,000	The City of Seguin will contribute \$150,000 towards the HVAC Replacement Project. \$75,000 (50%) of the City of Seguin’s contribution will come from the SEDC. The SEDC’s contribution to the City of Seguin will come from our Professional Services Account.

On April 2, 2020, the SEDC Board of Directors approved SEDC Resolution 2020-05, approving a project expenditure by the SEDC of up to \$75,000 to the City of Seguin for a building improvement at the Central Texas Technology Center, an eligible expenditure for a job training career center not located in the taxing jurisdiction of a junior college district. Because the proposed expenditure is in excess of \$50,000.00, City Council approval is necessary. The SEDC Staff and Board recommend approval of the resolution.