



**ECONOMIC
DEVELOPMENT
CORPORATION**

MEMORANDUM

To: Mayor Donna Dodgen
Seguin City Council

Cc: Steve Parker, City Manager
Sam Aguirre, City Attorney

From: Josh Schneuker, Director of Economic Development

Date: December 28, 2022

Subject: City of Seguin Tax Abatement Guidelines and Criteria

Overview

The City of Seguin is committed to the promotion of quality development in all parts of the City and to improving the quality of life for its citizens. In order to help meet these goals, the City of Seguin may consider providing tax abatements to stimulate economic development in Seguin. It is the policy of the City of Seguin that such abatements may be provided to prospective businesses and/or development projects that spur positive economic growth and help create or retain jobs within the community. Tax abatements provided to appropriate business prospects and/or development projects must abide by the rules and procedures outlined within the Tax Abatement Guidelines and Criteria for the City of Seguin, as well as Chapter 312 of the Texas Tax Code. It is important to note that all tax abatement applications are always considered on a case-by-case basis. The Tax Abatement Guidelines and Criteria do not imply or suggest, or be construed to imply or suggest, that the City of Seguin is under any obligation to provide any abatement to any applicant.

Chapter 312 of the Texas Tax Code requires that in order to consider tax abatement proposals for a business prospect and/or development project, a set of Guidelines and Criteria must be adopted by the taxing entity. No changes are being proposed to the 2023-25 Guidelines. Key items within the Guidelines and Criteria include the following:

- Any request for tax abatement must involve a development and/or redevelopment project, excluding land, with a minimum incremental increase in ad valorem tax value of at Five Hundred Thousand Dollars (\$500,000.00) upon completion of the anticipated improvements or expansion based upon the Guadalupe Appraisal District's assessment of the eligible property, per Section II, Subsection 4(a) of the proposed Tax Abatement Guidelines and Criteria; and
- Establishing factors that will be considered by the Seguin City Council in determining whether to grant tax abatement. These factors are listed in Section IV, Subsection 1 of the proposed Tax Abatement Guidelines

and Criteria. Additional factors as determined necessary by City Council in determining whether to grant abatement.

The 2023-2025 Tax Abatement Guidelines and Criteria create flexibility for the City of Seguin when considering an application for tax abatement, allowing City Council to exercise its sole discretion for granting tax abatement to qualified projects on a case-by-case basis.

Staff Recommendation

Staff recommends approval of the Tax Abatement Guidelines and Criteria for the City of Seguin, Texas.