



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

Date: 09-16-2025

Subject: Resolution setting a Public Hearing for the creation of Tax Increment Reinvestment Zone #3.

Overview

With approximately 544 acres within the City of Seguin, located along both IH-10 and FM 78 and just west of SH 46, Houston-based development group, NewQuest, currently owns one of the most prime locations in the City of Seguin available for future development. Opportunity exists on this property to bring not only additional light industrial businesses to the City, but also much-needed retail, hospitality, dining, and more. Without partnership between the City and the developer, it is unlikely that the full scope of uses anticipated for the property will be able to develop in a timely manner, due largely to the costs associated with needed infrastructure to serve the future development.

Chapter 311 of the Texas Tax Code permits the governing body of a municipality, by ordinance, to designate a geographic area, either fully in the corporate limits of the municipality or in the extraterritorial jurisdiction, as a Tax Increment Reinvestment Zone (TIRZ) if the governing body determines that development or redevelopment would not occur solely through private investment in the reasonably foreseeable future. Within a TIRZ, the incremental valuation growth that occurs from development can be captured for further enhancement within the zone it originated from, providing a powerful and essential incentive for projects that have a clear and distinguished financial gap preventing their occurrence. A TIRZ is not an additional tax burden to the residents (commercial or otherwise) within, or outside of, the designated boundary; rather, it is a way of guaranteeing that new money created in a specific area is able to benefit that same specific area for a determined period of time. In this way, a successful TIRZ allows new development to feed itself quickly and allow for bigger returns.

Because of the significance of the potential development anticipated at the NewQuest property, as well as the need to evaluate and address potential financial gaps that may exist that can hinder development of this project in either timely or quality manners, it is prudent to consider the option of a TIRZ as a financial tool for this development. Staff would like Council's support in bringing before the public, in the form of a Public Hearing to be held at the next City Council meeting on October 6, 2025, a creation ordinance to establish what would be referred to hereafter as TIRZ #3 and encompasses the NewQuest property.

Fiscal Impact

N/A

Staff Recommendation

Staff recommends approval of the Resolution setting a Public Hearing for the creation ordinance of Tax Increment Reinvestment Zone #3.

Attachments

1. Resolution