

SEGUIN
TEXAS

ECONOMIC
DEVELOPMENT
CORPORATION

FY 2018-2019 ANNUAL REPORT



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About the
SEDC

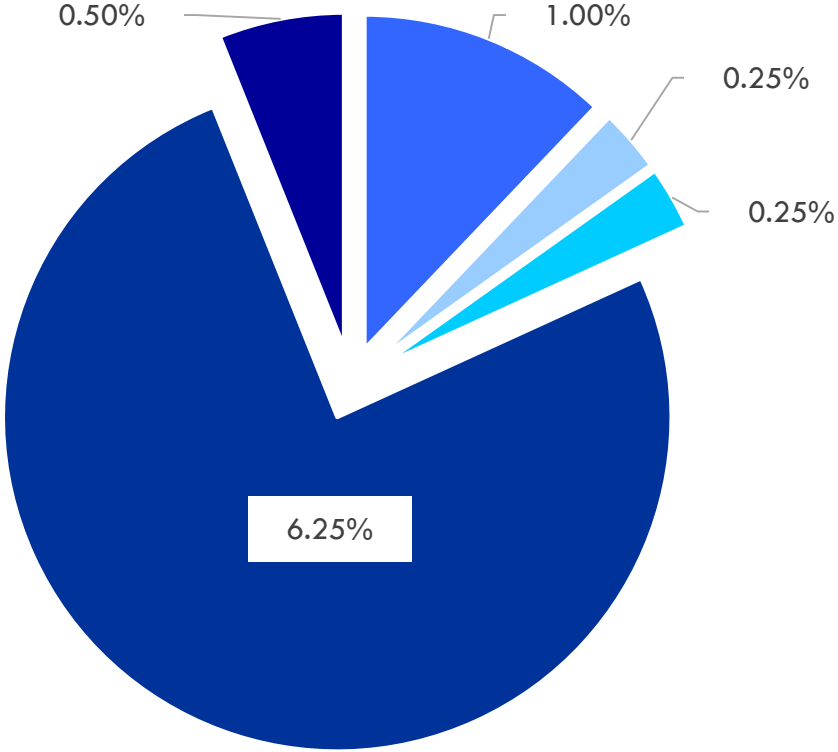
About the SEDC

About:

Established in 1994, the Seguin Economic Development Corporation (SEDC) is a Type A Economic Development Corporation governed by Chapters 501, 502 and 504 of the Texas Local Government Code. Our primary revenue source is a quarter-cent sales tax that is designated specifically for the SEDC.

Mission:

To grow the Seguin economy through **Projects** that promote and develop new and expanded business enterprises and result in the creation and/or retention of Primary Jobs.



Sales Tax Allocation

About the SEDC

Type A Eligible Project – Create or Retain Primary Jobs

The SEDC may use Type A revenue for the funding of land, buildings, equipment, facilities expenditures, targeted infrastructure and improvements that are for the **creation or retention of primary jobs** that are found by the Board of Directors to be required or suitable for the development, retention, or expansion of the following types of projects:

- Manufacturing and industrial facilities, recycling facilities, distribution centers, and small warehouse facilities;
- Research and development facilities, regional or national corporate headquarters facilities, primary job training facilities operated by higher education institutions, job training classes, telephone call centers and career centers not located within a junior college taxing district;
- Certain infrastructure improvements that promote or develop new or expanded business enterprises;
- Aviation facilities;
- Commuter rail, light rail or commuter bus operations;
- Port-related facilities, railports, rail switching facilities, marine ports, inland ports; and
- Maintenance and operating costs associated with projects.

Example Projects: Caterpillar, Niagara, Continental, United Alloy, Tractor Supply Company.

About the SEDC

Type A Eligible Project – Not Required to Create or Retain Primary Jobs

The SEDC may use Type A revenue for the following **Projects** that are not conditioned upon the creation or retention of primary jobs:

- Job Training Classes
 - Required or suitable for the promotion or development and expansion of business enterprises
 - Business enterprise must agree to create new jobs that pay wages that are at least equal to the prevailing wage for the applicable occupation in the local labor market area, or agree to increase its payroll to pay wages that are at least equal to the prevailing wage for the applicable occupation in the local labor market

- Certain infrastructure improvements which **promote or develop new or expanded business enterprises**
 - Infrastructure improvements are limited to streets and roads, rail spurs, water and sewer utilities, electric utilities, gas utilities, drainage, site improvement and related improvements, telecommunications and internet improvements

- Career Centers

Example Projects: SPARK Small Business Center, Central Texas Technology Center, Downtown Sidewalks and Electric Infrastructure Upgrades, Schaefer Commercial Property Sewer, NewQuest Frontage Roads

SEDC Board of Directors & Staff



Andrew Koenig
President



Gilbert Acuna
Vice President



Drew Engleke
Treasurer



Mary Reiley
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Carlos Moreno
Asst. Secretary



Josh Schneuer
Executive Director



Lindsay Dennis
Assistant Director



Ashlynn Read
Business Retention Specialist



Brittney Watson
Marketing & Admin Assistant



Recruitment

Recruitment

	Primary Job Recruitment Events	Retail Recruitment Events	External Stakeholder Presentations
Goal	8	4	4
Quarter 1 (Oct – Dec)	0	2	2
Quarter 2 (Jan - Mar)	1	1	2
Quarter 3 (Apr - Jun)	3	1	1
Quarter 4 (Jul - Sept)	2	1	0
Total	6	5	5

Primary Job Recruitment Events

- **Purpose:** Primary Job recruitment events serve as a tool in the generation of leads and inquires specific to the creation of primary jobs. During each event, staff meets with companies and site consultants to promote the advantages of doing business in the State of Texas and the City of Seguin.

Retail Recruitment Events

- **Purpose:** Retail recruitment events serve as a tool in the generation of leads and inquires. During each event, staff meets with companies and site consultants to promote the advantages of doing business in the State of Texas and the City of Seguin.

External Stakeholder Presentations

- **Purpose:** Presentations to external stakeholders enable the SEDC help keep the community and other key stakeholders informed on economic development activities. Over the past year, the SEDC has made external stakeholder presentations to the Seguin ISD Board, Navarro ISD Board, Four Rivers Association of Realtors, Remax Seguin, Century 21 United D&D, and the Heritage South HOA.



Primary Job
Recruitment

Primary Job Recruitment



SEDC and Team Texas

Team Texas is the member-based state business attraction program through Texas Economic Development Council, the professional association for Texas economic developers. Team Texas' mission is to create opportunities for job creation, increased investment, and economic diversification as a team of future-focused and collaborative Texas communities and partners. As a Bronze Level Member with Team Texas, the SEDC was able to participate with Team Texas at numerous Tradeshows and Road Shows throughout FY 2018-19.

Tradeshows

The SEDC participated with Team Texas at several tradeshows over FY 2018-19. Most companies that attend tradeshows are in attendance because they are growing or a leader in their respective industry. The SEDC's attendance at tradeshows with Team Texas enables us to connect with these companies.

Road Shows

The SEDC joined Team Texas on several Road Shows throughout FY 2018-19. Participating in Road Shows enables the SEDC to directly connect with companies and site selectors.

In-person visits with companies allows us to meet directly with key decision makers making decisions about site selection.

Site selection consultants are key players in economic development projects that work with companies that are considering a relocation or expansion of operations. In-person meetings with site selection consultants allow the SEDC to build relationships and enhance familiarity of the City of Seguin with these individuals.

Primary Job Recruitment | Road Shows

TEAM TEXAS CHICAGO

13 Member Communities Represented



Chicago, IL Company Meetings | April 2019

The SEDC participated in the Chicago Area Team Texas Road Show. Team Texas worked to scheduled meetings with numerous companies in the Chicago area who are actively considering relocation and/or expansion project within the Texas market. As a participant, the SEDC was able to directly connect with decision makers of these companies.

Chicago, IL Site Selector Meetings | July 2019

This road show to Chicago specifically targeted site consultants within the region. The SEDC partnered with the San Antonio Economic Development Foundation and the New Braunfels Economic Development Corporation on this road show. 10 meetings were arranged with consultants from JLL, CBRE, Biggins Lacy Shapiro & Company (BLS & Co.), KPMG, and Cushman Wakefield.



Primary Job Recruitment | Continental Structural Plastics



A Teijin Group Company **TEIJIN**

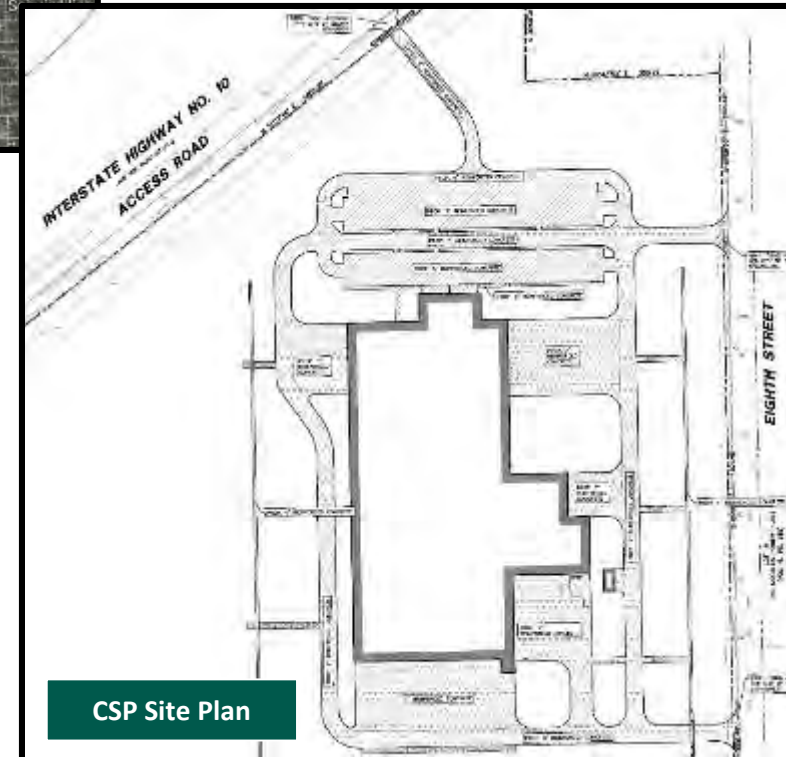
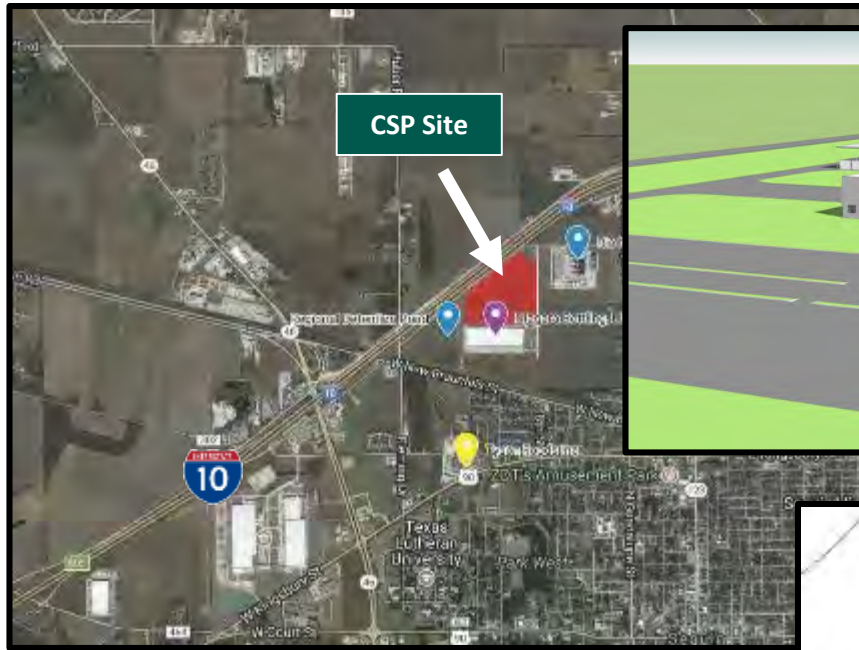
About Continental Structural Plastics (CSP)

CSP is a Global leader in the formulation of advanced composites, and the design and manufacturing of composite components. CSP has over 50 years of experience as a proven manufacturer of highly-engineered products for dynamic market segments, including automotive, heavy truck, marine and recreational vehicles. CSP employs more than 4,200 people at its facilities in North America, Europe and Asia.

CSP's New Seguin Manufacturing Facility

SEDC staff began working the CSP Project in November 2018. The competitive economic development project was considering locations in Texas, Louisiana, Mississippi and Alabama. In early 2019, Seguin was selected as the Texas finalist for the project.

On September 27, 2019, Governor Greg Abbott announced that CSP would build their new 200,000 square foot manufacturing facility in Seguin, Texas. CSP's new facility will represent a capital investment of more than \$65 Million and will create over 200 new jobs. Construction is underway and CSP anticipated production to start in 2021.





**Retail
Recruitment**

Retail Data Snapshot



Seguin Retail Trade Area (RTA) Data & Information (2019)

- ❑ Population: 114,614
- ❑ Daytime Population: 106,192
- ❑ Median Household Income: \$55,000 +/-
- ❑ Median Disposable Income: \$45,817
- ❑ Median Age: 40.0
- ❑ Encompasses a Three County Area
- ❑ Estimated 1,627 Square Miles

ROOFTOPS = NEW RETAIL OPPORTUNITIES

- ❑ 8,000+ Residential Lots Proposed
- ❑ 10 Subdivisions Currently Under Construction
- ❑ 18 Subdivision In Review

Seguin RTA Retail Gap Analysis

Industry Summary	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage Factor
Total Retail Trade & Food/Drink	44-45, 722	\$1,389,182,068	\$1,034,394,035	\$354,788,033	14.6
Total Retail Trade	44-45	\$1,260,318,152	\$947,560,978	\$312,757,174	14.2
Total Food/Drink	722	\$128,863,916	\$86,833,057	\$42,030,859	19.5

Retail Recruitment | Events

SEDC Commercial Real Estate Luncheon | 10/23/2018

Commercial real estate professionals from across the San Antonio and Austin region attended the inaugural luncheon. Attendees were able to hear updates from Seguin ISD and learn more about the growth happening in Seguin. Many of the commercial real estate professionals in attendance work with developers and prospective retailers. The SEDC used this event as a way to encourage new development and investment in the City of Seguin.



CCIM Symposium | 11/1/2018

Commercial real estate professionals from across the San Antonio and Austin region attended the inaugural luncheon. Attendees were able to hear updates from Seguin ISD and learn more about the growth happening in Seguin. Many of the commercial real estate professionals in attendance work with developers and prospective retailers. The SEDC used this event as a way to encourage new development and investment in the City of Seguin.



Retail Recruitment | Tradeshows



ICSC Red River States | 01/09 to 01/11/2019

ICSC Red River States is a two-day regional tradeshow providing opportunities to connect with commercial real estate brokers, developers and retailers doing business within the State of Texas. ICSC Red River provides the SEDC with the opportunity to share information on the growth Seguin is experiencing and the opportunities that exist for new retail in our market. For the 2nd year in a row, the SEDC exhibited at the ICSC Red River Tradeshow. SEDC Staff worked well in advance of the show to schedule 20 meetings with retail real estate professionals attending the show. In addition to the 20 meetings over the 2-day period, the SEDC also saw a significant amount of walk up traffic to our booth.

ICSC RECon | 05/20 to 05/22/2019

ICSC RECon is the world's largest global gathering of retail real estate professionals. ICSC RECon provides the SEDC with the opportunity to share information on the growth Seguin is experiencing and the opportunities that exist for new retail in our market. For the 2nd year in a row, the SEDC exhibited at the ICSC RECon Tradeshow within the P3 Pavilion. SEDC Staff worked well in advance of the show to schedule 15 meetings with retail real estate professionals attending the show. In addition to the 20 meetings over the 3-day period, the SEDC also saw a significant amount of walk up traffic to our booth.



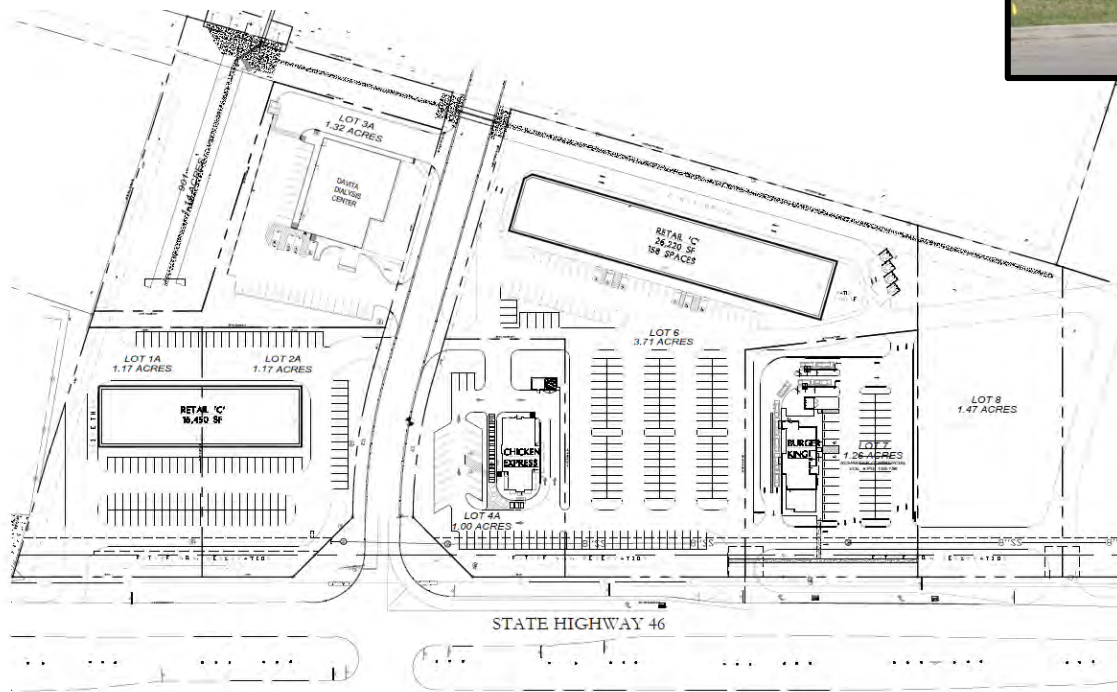
Retail Live! | 08/21/2019

Retail Live! is a national commercial real estate networking event company that brings retailers together with the industry's leading Landlords, Brokers & Developers. The SEDC attended this half-day tradeshow to meet with the participating retail exhibitors. The SEDC met with retailers such as Dunkin, Boot Barn, McAlister's Deli, Smoothie King, and Sport Clips.

Retail Recruitment | SH 46 & CH Matthies Development

About The Development

A San Antonio based developer has broken ground on a 24-acre mixed use retail development located at the southwest corner of State Highway 46 and CH Matthies Drive. Three pad sites have already been sold to DaVita, Burger King and Chicken Express. The SEDC continues to work closely with the developer to market available retail and pad site spaces to targeted retailers.



CONCEPTUAL SITE DEVELOPMENT PLAN
SCALE: GRAPHIC NORTH



Proposed Walmart Development Site

Caterpillar

Under Construction
HWY 46

Imagery ©2019 CAPCOG, Maxar Technologies, USDA Farm Service Agency



Business Retention & Expansion

Business Retention and Expansion

	Business Visits	Roundtables	Retention Events
Goal	12	4	4
Quarter 1 (Oct – Dec)	3	2	3
Quarter 2 (Jan - Mar)	4	2	2
Quarter 3 (Apr - Jun)	5	1	2
Quarter 4 (Jul - Sept)	5	0	2
Total	17	5	9

Business Visits

- **Purpose:** A vital component of any economic development program is business retention and expansion (BRE). The primary purpose of the BRE program is to develop and implement strategies that proactively engage existing businesses to gain a better understanding of the business environment in Seguin, identify opportunities to help business grow/expand, assist businesses in overcoming difficulties and challenges, provide general assistance, track trends, and make sure the city remains a viable place to do business.

Roundtables

- **Purpose:** The SEDC hosts BRE roundtables throughout the year to build relationships, identify challenges and allow businesses to share best practices with one another. Over the past year, roundtables hosted by the SEDC have fostered dialogue between Seguin manufacturing executives, HR managers and Career and Technical Education Professionals.

Retention Events

- **Purpose:** The SEDC hosts a variety of retention events throughout the year to support primary employers, build industry awareness and strengthen our talent pipeline. These events include Manufacturing Day, Job Shadow Day, Seguin Career Day, and two Jobs Fairs.

Business Retention and Expansion Efforts



Business Appreciation & Economic Outlook Luncheon | 08/29/2019

Each year, the SEDC hosts a Business Appreciation Luncheon as a way of saying “thank-you” to the businesses that invest in our community. This was the 7th year in a row that the SEDC has hosted the event. The event featured Downtown Comes to You Pop-Up Shop, where local downtown businesses could promote and sell their products to attendees. Keith Phillips of the Federal Reserve Bank of Dallas served as the keynote speaker. Six businesses were recognized for their outstanding efforts. Over 80 people attended this year's event.



Manufacturing Day | 10/05/2019

Held annually on the first Friday in October, Manufacturing Day helps show the reality of modern manufacturing careers by encouraging thousands of companies and educational institutions around the nation to open their doors to students, parents, teachers and community leaders. In observance of Manufacturing Day, the SEDC organizes a Bus Tour that connects 180+ students from Marion High School, Navarro High School, and Seguin High School with 9 different manufacturing companies in the City. Participating manufactures for the 2019 Bus Tour included Alamo Group, Niagara Bottling, Continental Automotive, Caterpillar, Minigrip, The Koehler Company, Central States Manufacturing and CMC Steel. Participating students are provided tours of the different manufacturing facilitates and learn more about the career pathways that are available in Seguin regardless if the student is college bound or not.

Business Retention and Expansion Efforts

Mfg. Executives Roundtable



Seguin Career Day



Job Shadow Day



Manufacturing Executives Roundtable | Quarterly Mtgs

The Seguin Manufacturing Executives Roundtable was established by the SEDC to bring Seguin manufacturing companies together to network and exchange information, ideas, and insights. This exclusive group consists of executives and operations managers from manufacturing companies representing various sectors within the industry. This roundtable group has been going strong for over a year now, with an average attendance of 20 individuals.

Job Shadow Day | 02/21/2019

The SEDC, in partnership with the Seguin Area Chamber of Commerce, organized a Job Shadow Day event that connected local students with area businesses to get a firsthand look at some of the career opportunities available in the Seguin area. More than 70 students from Seguin and Navarro high schools participated in the program and spent the better part of the day assigned to one of several local companies that participated in the new program.

Seguin Career Day | 05/20/2019

Nearly two dozen businesses exhibited at the Seguin High School Student Activity Center as a part of Seguin Career Day. The objective of the participating businesses was to create connections between the students and potential careers after high school, after college or following trade school. Seniors from Seguin, Navarro, Marion and Lifegate high schools participated in this year's event.

MUNICIPAL POWER PLANT.
SEGUIN, TEXAS.

Small Business Development



Small Business Development | SPARK SBC

City	FY 18-19 New Clients Only		FY 18-19 All Clients Total Sessions		FY 18-19 All Clients Total Hours	
	#	%	#	%	#	%
Seguin	25	11.74	136	12.50	180.37	12.39
McQueeney	2	0.94	4	0.37	8.25	0.57
Kingsbury	1	0.47	5	0.46	6.25	0.43
Total	28	13.15	145	13.33	194.87	13.39

County	FY 18-19 New Clients Only		FY 18-19 All Clients Total Sessions		FY 18-19 All Clients Total Hours	
	#	%	#	%	#	%
Comal	129	61	663	61	833.56	57
Guadalupe	84	39	425	39	622.50	43
Total	213	100	1088	100	1456.06	100

Location of Sessions	FY 18-19	
	#	%
Satellite Office (NB)	670	62
SEDC Office	149	14
Other	269	25
Total	1088	100

SPARK Small Business Center / UTSA SBDC

One of the main ways that the SEDC works to enhance small business development is through participation and annual funding of SPARK Small Business Center. The SPARK Small Business Center (SBC) contracts with the University of Texas at San Antonio (UTSA) Small Business Development Center (SBDC) to provide no-cost business advising and training services to residents and businesses within the City of Seguin and the City of New Braunfels.

Mr. Larry New serves as the Business Advisor for our region and provides in person advising services at the City Hall Annex Building every Tuesday. In addition to these business advising services, the SPARK/UTSA SBDC also hold numerous business training workshops throughout the year in Seguin. These services are free of charge to small businesses and entrepreneurs as a result of the funding provided by the SEDC.

Funding to support the SPARK SBC and the UTSA SBDC is shared by the Seguin EDC and New Braunfels EDC. The Seguin EDC contributes one-third of the funding, while the New Braunfels EDC contributes the remaining two-thirds. Funding participation in the SBDC Satellite program encourages the growth of small business and job creation in Seguin and surrounding communities.

Small Business Development Efforts



Small Business Resource Fair | 05/09/2019

The SEDC and the Seguin Main Street Program partnered again in 2019 to host the Real Connections Small Business Resource Fair. The event featured panel discussions on topics important to small businesses as well as access to free non-profit organizations that were in attendance exhibiting their services to small business owners and aspiring entrepreneurs.

Shop Local Promotion | Ongoing

Highlighting the importance of Shopping Local was a priority of the SEDC. The SEDC worked with the Seguin Main Street Program and the Seguin Chamber of Commerce to promote Seguin's Shop Local efforts during the holiday season. In addition, the SEDC created a Facebook Page called Shop Seguin where we promote Seguin business and share information on different sales and events that the business might be having.





Active Projects

Active Projects

Agreement Type	Active Agreements
Performance Agreement - SEDC	4
Tax Abatement Agreement - City	4
Total	8

Performance Agreements - SEDC

The SEDC cannot simply give sales tax proceeds to businesses. The SEDC must enter into a **written performance agreement** with any business enterprise that it funds directly or makes expenditures that benefit an eligible project. At a minimum, the performance agreement must contain:

- A schedule of additional payroll or jobs to be created or retained;
- The capital investment to be made by the business enterprise; and
- The terms for repayment of the EDC's investment if the business fails to meet the performance requirements specified in the agreement.

Tax Abatement Agreements – City of Seguin

Authorized under Texas Tax Code Chapter 312, this incentive allows local governments such as the City of Seguin to exempt all or part of the increased tax value of real property and/or tangible personal property for a period not to exceed 10 years. Typically, with a tax abatement agreement, a qualifying business enterprise must meet requirements associated with the value of capital improvements and either job creation or payroll increases maintained throughout the term of the agreement. Additionally, tax abatement agreements include a 'default and recapture' provision which outline the terms of penalty and/or repayment if a company does not meet its performance benchmarks. Economic Development Staff manages compliance of all active City of Seguin Tax Abatement Agreements.

Active Projects | Performance Agreements



Niagara Bottling

Niagara Bottling is a leading bottled water manufacturer in the U.S., supplying major retailers across the nation. In 2016, Niagara Bottling began production at their 550,000 square foot facility. Niagara's Bottling's Seguin facility represents a capital investment of \$85 Million. The company currently employs 120 individuals at their facility.

Cone Bio Products

Cone Bioproducts is a manufacturer of high-quality in vitro diagnostics (IVD) products, including processed serum, controls, calibrators, albumin and other proteins. In 2019, Cone Bio entered into a Performance Agreement with the SEDC to expand their operations in Seguin. Cone Bio will be investing \$2.4 Million in a new facility and will create 15 new jobs.

Continental Structural Plastics (Active PA & TA)

Continental Structural Plastics (CSP), is a global leader in highly-engineered, composite vehicle components. On October 1, 2019, CSP broke ground on a new 200,000 square foot manufacturing facility in Seguin. CSP's new Seguin manufacturing facility represents a capital investment of \$65 Million and will help create 200 new jobs.

Coastal Agricultural Supply, Inc.

Coastal Ag is a family owned wholesale distributor that supports the farm, pet, and hardware store industry. On August 5, 2019, Coastal Ag entered into a Performance Agreement with the SEDC to expand their operations. Coastal Ag will invest \$500,000 to expand their current facility and will retain 25 jobs.



CSP Facility Rendering

Active Projects | Tax Abatement Agreements

Caterpillar

Caterpillar is the world's leading manufacturer of construction and mining equipment, diesel and natural gas engines, industrial gas turbines and diesel-electric locomotives. Caterpillar's Seguin facility spans over 1.7 Million square feet and employs over 1,800 individuals. The Seguin plant is the Americas headquarters for Perkins Engine and manufactures gen sets up to 500 kilowatts. A full 70 percent of the plant's output goes outside of the United States. Caterpillar's Seguin facility was announced in 2008 and began operations in 2010.

Tractor Supply Company

Tractor Supply Company is the largest operator of rural lifestyle retail stores in America. Founded in 1938 as a mail order tractor parts business, Tractor Supply Company owns and operates over 1,800 stores in 49 states supplying basic maintenance products to home, land, pet and animal owners. In 2015, Tractor Supply opened their 75,000 square foot distribution and mixing center. The distribution center supplies basic maintenance products to farm, ranch and rural customers. The Seguin distribution center currently services 67 stores.

Minigrip

Minigrip is a worldwide leader in the manufacture and sale of reclosable bags (also called zipper bags) for the medical, industrial packaging and institutional food service markets. In 2018, Minigrip announced an expansion and modernization of production equipment in their existing Seguin manufacturing facilities, located at 1650 N Heideke St. and 1024 Freeport Way. The new equipment represented a capital investment of \$4 Million.





Financial
Summary

FY 2018-19 | Financial Summary (Revenues)

Revenues	
Economic Development Sales Tax (quarter cent)	\$1,329,975.61
Investment Pools Interest Earnings	\$20,486.91
Lease-Ewald House (3031 N. Austin St)	\$7,200
Principal/Interest-Tucker/Davis (aka Roll Masters)	\$5,149.71
Principal/Interest-Pure & Gentle	\$363.06
Miscellaneous Revenue	\$ 3,360.65
Restricted Cash	(\$675.23)
Total Fiscal Year Revenues	\$1,365,860.71

FY 2018-19 | Financial Summary (Expenditures)

Expenditures	
Annual Audit	\$4,200
Attorney Fees	\$48,000
BRE and Workforce Development	\$16,421.17
Economic Development Services	\$243,135.00
Infrastructure Development	\$ 0.00
Marketing and Promotion	\$124,733.24
Operating Supplies	\$15,468.60
Professional Development	\$9,102.20
Professional Services	\$100,435.47
Project Development	\$57,844.38
Property Maintenance	\$4,629.00
Small Business Development	\$70,012.90
Debt Service	\$222,468.65
Total Fiscal Year Expenditures	\$916,659.78



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