

MEMORANDUM

To: Mayor Donna Dodgen and Seguin City Council
Steve Parker, Seguin City Manager

From: Kyle Kramm, Main Street & CVB Director

Through: Rick Cortes, Seguin Deputy City Manager

Subject: Seguin TIRZ #1

Date: July 30, 2024

The Downtown Master Plan, adopted by City Council in July 2024, included over 60 projects for the Main Street Program to develop. Included within this plan was the creation of a Tax Increment Reinvestment Zone (TIRZ) to serve as a dedicated funding source for completing the other projects within the plan.

A TIRZ serves as a tool to use future tax revenue to fund infrastructure development, economic development, and public space improvements by using a portion of revenue coming from increased taxable values within the designated zone. The revenue generated from the properties within the zone must be used for projects within the zone.

Staff is proposing the creation of Seguin Tax Increment Reinvestment Zone #1 which covers 150.7 acres and has a preliminary baseline taxable value of \$64.6 million. The life of the TIRZ would be 25 years with 75% of the increment going to the Tax Increment Fund. Over the life of the TIRZ, it is estimated to raise \$8.5 million to fund projects within the zone.

On Sunday, July 28, notice of a public hearing was published in the Seguin Gazette to allow for the public to speak about the creation of the zone at the August 6 City Council meeting.

The attached ordinance designates the zone, establishes a board of directors, creates a Tax Increment Fund, and sets the base taxable values. A resolution will come at a later date to appoint the initial board of directors.

Staff recommends approval of the ordinance.