



MEMORANDUM

To: Mayor Don Keil
Seguin City Council

Cc: Douglas G. Faseler, City Manager

From: Joshua Schneuker, Director of Economic Development

Date: September 18, 2018

Subject: Tax Abatement Review Committee Dissolution

SEDC Staff is requesting that the Seguin City Council consider and act on a resolution approving the dissolution of the City of Seguin Tax Abatement Review Committee. The City of Seguin Tax Abatement Review Committee is a nine-member committee appointed by the Mayor and City Council that reviews and recommends to Seguin City Council tax abatements to qualified businesses and economic development projects in order to stimulate economic development in Seguin. The initial formation of the Tax Abatement Review Committee was established in 1992 when the group was initially known as the "Seguin Economic Development Committee". Upon formation of the Seguin Economic Development Corporation in 1994, the Seguin Economic Development Committee transitioned into the City of Seguin Tax Abatement Review Committee. The nine-member committee consists of the following representatives:

Organization	Representative	Current Representative
City of Seguin	Mayor	Don Keil
Texas Lutheran University	Representative	Dr. Stuart Dorsey
Seguin Hispanic Chamber of Commerce	Representative	Mary Louise Gonzales
Seguin ISD	Superintendent	Dr. Matthew Gutierrez
Navarro ISD	Superintendent	Dee Carter
Guadalupe County	Judge	Kyle Kutscher
Seguin Industry	Representative	Mark Long
Real Estate	Representative	Angela Mark
Seguin Chamber of Commerce	President	Kendy Gravett
Seguin Chamber of Commerce	Chair	Mary Andrews

When considering new tax abatement agreements with business and other economic development prospects, the City of Seguin Tax Abatement Review Committee reviews and makes recommendation to City Council for the proposed agreement. Final approval of the agreement is the responsibility of City Council.

Recently when engaging economic development prospects about the protocol associated with the incentive approval process, specifically tax abatements, concerns were brought up regarding the involvement of the Tax Abatement Review Committee. Staff looked further into these concerns and determined that the committee is not subject to the rules of closed session per Chapter 551 of the Texas Government Code. Under Chapter 551, specifically Section 551.087, a governmental body is not required to conduct an open meeting when discussing or deliberating items regarding commercial or financial information that a governmental body has received from a business prospect that the governmental body seeks to have locate, stay, or expand in or near the territory of the governmental body and with which the governmental body is conducting economic development negotiations; or to deliberate the offer of a financial or other incentive to a business prospect. When presenting an item for review and consideration to the Tax Abatement Review Committee, matters discussed and presented to the committee touch on items referenced in Section 551.087.

When working on economic development projects with either a site consultant, prospective business and/or existing business, confidentiality of said project is of utmost importance. Staff wants to ensure that the City of Seguin maintains that level of utmost confidentiality with a prospect up to the time of announcement of the project. The concerns raised about the Tax Abatement Review Committee and the inability to discuss these projects in a closed session could result in the failure to win the project. Staff is proposing that the City of Seguin Tax Abatement Review Committee be dissolved and the responsibilities that are bestowed upon the committee for the review and recommendation of action on proposed tax abatement agreements be delegated to the Seguin Economic Development Corporation Board of Directors. The City of Seguin City Council will still be the governmental body that is designated the authority of finalizing approval of future tax abatement agreements. Staff recommends approval of the resolution.