ORDINANCE NO. _____

AN ORDINANCE ESTABLISHING CITY OF CIBOLO REINVESTMENT ZONE NUMBER 2; PROVIDING FOR SEVERABILITY; AND, PROVIDING AN EFFECTIVE DATE.

WHEREAS, pursuant to Texas Tax Code 312.002 City Council passed an approved Ordinance No. 1265, electing to establish the eligibility of the City to participate in tax abatement; and

WHEREAS, City Council passed an approved Ordinance No. 1496, establishing guidelines and criteria governing abatement agreements granted by the City; and

WHEREAS, pursuant to Texas Tax Code 312.201, City Council designates the Area, described herein, as City of Cibolo Reinvestment Zone No. 2; and

WHEREAS, City Council finds the Area:

(1) substantially arrest or impair the sound growth of the municipality creating the zone, retard the provision of housing accommodations, or constitute an economic or social liability and be a menace to the public health, safety, morals, or welfare in its present condition and use because of the presence of:

(A) a substantial number of substandard, slum, deteriorated, or deteriorating structures;
(B) the predominance of defective or inadequate sidewalks or streets;
(C) faulty size, adequacy, accessibility, or usefulness of lots;
(D) unsanitary or unsafe conditions;
(E) the deterioration of site or other improvements;
(F) tax or special assessment delinquency exceeding the fair value of the land;
(G) defective or unusual conditions of title;
(H) conditions that endanger life or property by fire or other cause; or
(I) any combination of these factors;

(2) be predominantly open and, because of obsolete platting, deterioration of structures or site improvements, or other factors, substantially impair or arrest the sound growth of the municipality;
(3) be in a federally assisted new community located in a home-rule municipality or in an area immediately adjacent to a federally assisted new community located in a home-rule municipality;
(4) be located entirely in an area that meets the requirements for federal assistance under Section 119 of the Housing and Community Development Act of 1974 (42 U.S.C. Section 5318);
(5) encompass signs, billboards, or other outdoor advertising structures designated by the governing body of the municipality for relocation, reconstruction, or removal for the purpose of enhancing the physical environment of the municipality, which the legislature declares to be a public purpose; or

(6) be reasonably likely as a result of the designation to contribute to the retention or expansion of primary employment or to attract major investment in the zone that would be a benefit to the property and that would contribute to the economic development of the municipality.

WHEREAS, City Council conducted a public hearing on October 27, 2025; whereat interested persons were invited to provide evidence, give testimony and comments for or against designating the Area as a reinvestment zone; and

WHEREAS, on October 15 & 19 2025, a date not later than the seventh day before the date of the aforementioned public hearing notice of the public hearing was published in Seguin Gazette a newspaper of general circulation in the City; and

WHEREAS, on October 14, 2025, a date not later than the seventh day before the date of the aforementioned public hearing notice of the public hearing was delivered by mail and/or hand, to Superintendent of Marion ISD, Superintendent Schertz-Cibolo-Universal City ISD , Guadalupe Tax Assessor-Collector, Chief Appraiser for Guadalupe Appraisal District, Guadalupe County Judge Kyle Kutschner, and Guadalupe County Commissioner Pct. 4 Stephen Germann, which constitutes the governing body of each taxing unit that includes the Area in its boundaries; and

WHEREAS, City Council finds the improvements sought for the Area, as described herein, are feasible and practical and will benefit the Area after the expiration of the tax abatement agreement proposed for the Area.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF CIBOLO:

Section 1. Findings adopted. The legislative findings set out above are adopted and incorporated herein for all purposes.

Section 2. The Area. The Area that is the subject of this Ordinance is described in **Exhibit "A"**, attached hereto and incorporated herein for all purposes, said Area being within the corporate limits or extraterritorial jurisdiction of the municipality.

Section 3. The Improvements. The improvements sought are described in **Exhibit "B"**, attached hereto and incorporated herein for all purposes.

Section 4. Reinvestment Zone Established. The Area is established as City of Cibolo Reinvestment Zone No.2.

Section 5. Commercial-industrial Tax Abatement Designation. City of Cibolo Reinvestment Zone No. 2, is designated for commercial-industrial tax abatement.

Section 6. Expiration Date. City of Cibolo Reinvestment Zone No. 2, shall expire five years from the effective date of this Ordinance unless renewed prior to expiration.

Section 7. Renewal. The expiration date can be extended for periods not to exceed five years, by adoption of an ordinance for such purpose prior to the expiration date.

Section 8. Severability. In the event any clause, phrase, provision, sentence, or part of this Ordinance or the application of the same to any person or circumstances shall for any reason be adjudged invalid or held unconstitutional by a court of competent jurisdiction, it shall not affect, impair, or invalidate this Ordinance as a whole or any part or provision hereof other than the part declared to be invalid or unconstitutional; and the City Council of the City of Cibolo, Texas, declares that it would have passed each and every part of the same notwithstanding the omission of any such part thus declared to be invalid or unconstitutional, whether there be one or more parts.

Section 9. Effective Date. This Ordinance shall become effective immediately upon its passage, approval and publication as provided by law.

PASSED AND APPROVED by a vote of _____ "ayes" in favor and _____ "noes" against on this first and final reading in full compliance with applicable provisions of the Texas Open Meetings Act and Texas Tax Code Chapter 312 on the ____ day of ____________ 2025.

CIBOLO, TEXAS

Mark Allen , Mayor

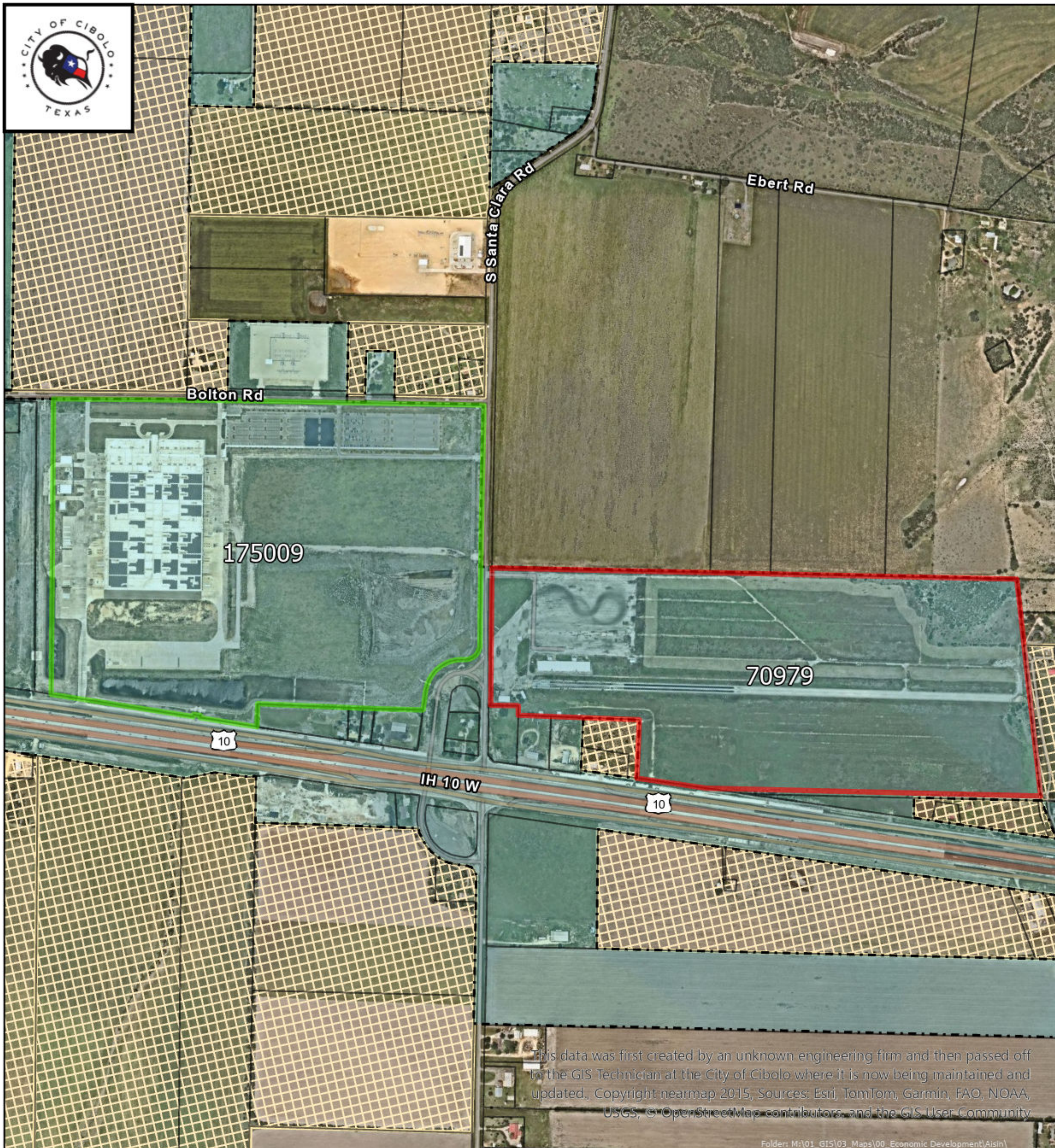
ATTEST:

Peggy Cimics , City Secretary

APPROVED AS TO FORM:

City Attorney
Denton Navarro Rodriguez Bernal Santee & Zech, P.C.

EXHIBIT A



N W E S

Project Spur/Theo Mapping

Scale: 1:11,000

0 500 1,000 2,000 Feet

Legend

- Raceway
- Aisin
- Guadalupe Parcel Boundaries
- Cibolo City Limits
- Cibolo ETJ

EXHIBIT B

CONFIDENTIAL - DO NOT SHARE

Project Spur/Theo

Total Proposed Incentive Package Financial Overview

Project Site: Alamo Racetrack near Aisin (IH-10) -> Current Annual Property Tax Value **$13,000**

Incentive Terms:

Abatement/Rebate

15-year partial property tax abatement/ rebate:

Years 1 – 10: 75% of full tax rate ($0.4990) abatement
- Estimated Revenue for Years 1-10: ***$9,760,936***

Years 11-15: 50% of M&O rebate tax rate ($0.3197)
- Estimated Revenue for Years 11-15: ***$15,880,268***

Total value of abatement/rebate over 15-year term: ***$36,767,581***

Sales Tax (Performance Based Incentive)

- Project requested a 50/50 spilt of sales tax receipts from City's $0.01 sales tax
- Project representatives estimate a $5 million sales tax impact
- Project's capped share would be $2.5 million of receipts
  - *Note: Receipts over the $5 million in sales tax would not qualify for the split.*

Additional Incentives Offered

- Infrastructure reimbursement: $300,000 (estimated cost in Year 1)
- Preferred permitting fees: $453,756.50
- Workforce Development: $6,000
- Working with Guadalupe County for additional incentives on county-level

Requirements to Project from the City

- Required minimum investment: $450 million, generating 425 FTE
- This company does operate brick-and-mortar stores, and City of Cibolo staff would express a preference on a site plan to include a set back from I-10 of 20 acres for a future brick-and-mortar.

Overall Incentive Package & Return

An overall incentive package of **+$32.5 million**, based on current project data.

An overall return to the City of **+10 million Year 10**, **+52 million Year 20** and **+121 million Year 30**

CONFIDENTIAL