

**CITY OF SEGUIN  
TAX ABATEMENT AGREEMENT**

**STATE OF TEXAS           §**

**COUNTY OF GUADALUPE       §**

This Tax Abatement Agreement (the “Agreement”) executed by and between the City of Seguin, Texas, a municipal corporation (“City”), and Maruichi Stainless Tube Texas Corporation, a Delaware corporation authorized to conduct business in Texas (“MARUICHI”), is effective as of this 1<sup>st</sup> day of January, 2023 (the “Effective Date”).

**RECITALS**

A. The Texas Property Redevelopment and Tax Abatement Act, Texas Tax Code, Chapter 312 (the “Act”), in Section 312.201, provides that the governing body of an incorporated city has the power to create one or more reinvestment zones for the abatement of ad valorem taxes assessed against real property and/or personal property located on the real property in such zone provided that certain conditions as detailed in the Act are met.

B. The City by **Resolution 2020R-151** has established guidelines and criteria governing tax abatement agreements and has adopted a resolution stating that the City elects to be eligible to participate in tax abatement, as required by Section 312.002(a) of the Act. The tax abatement policy of the City reflects a balance between the revenue needs of local government and the desire to provide incentives for the expansion and relocation of industry. At the time of this Agreement, the Property (as defined below) is unimproved land.

C. The Property subject to this Agreement is approximately a 33.240 acre, or 1,447,924 square feet more or less, tract of land out of that called 60.95 acre tract, out of the Humphreys Branch Survey No. 17, Abstract No. 6, Guadalupe County, Texas, in the City of Seguin, Guadalupe County, Texas (the “Property”). The Property is located within Seguin Reinvestment Zone #5 (the “Zone”), created by City of Seguin **Ordinance No. 2019-074**, which is located entirely in the City’s corporate limits. **Exhibit “A”**, which is attached to this agreement, describes and depicts the location of the Zone and the Property subject to this Agreement.

D. By virtue of the City following the requirements of the Act in creating the Zone, the City and MARUICHI now exercise their rights to enter into this Agreement, the terms and conditions of which are detailed below and, together with the Exhibits, constitute the full and complete agreement between the City and MARUICHI concerning the partial abatement of the ad valorem taxes assessed by the City against the Real Property (as defined below) in excess of the Base Value (as defined below) and certain Eligible Personal Property (as defined below) within the Zone and otherwise payable to the City. The City Council finds that the terms of this Agreement and the Real Property and Eligible Personal Property subject to this Agreement meet the applicable guidelines and criteria adopted by the City pursuant to the Act. The City Council has also found that development of the Property will (i) further the objectives of the City, (ii)

benefit the City and its inhabitants, and (iii) promote local economic development and stimulate business and commercial activity in the City.

E. MARUICHI intends to have the Property developed subject to the terms of this Agreement and the City agrees to grant certain annual tax abatements for a five-year period.

**AGREEMENT:**

**NOW THEREFORE**, in consideration of the foregoing, and on the terms and conditions hereinafter set forth, and other valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Development of the Property.

- a. MARUICHI plans to develop the Property for its manufacturing operations and/or related purposes permitted under applicable laws, which, if developed, shall include Real Property and Eligible Personal Property improvements within the Zone (together, the “Facility”). For purposes of this Agreement (i) “Eligible Personal Property” shall mean taxable business personal property of MARUICHI including, but not limited to, machinery and equipment, office equipment, but expressly excluding inventory and motor vehicles that are not fixed to the Property located within the Zone, or other property designated as personal property by the Guadalupe Appraisal District and owned by MARUICHI, and (ii) “Real Property” shall mean the land, Building and improvements designated as real property by the Guadalupe Appraisal District and owned by MARUICHI.
- b. MARUICHI plans to construct an approximately 125,000 square foot building on the Property for its manufacturing operations (“Building”). Construction is planned to commence by July 1, 2023 and be completed by October 1, 2024.
- c. MARUICHI agrees that all construction and development of the Property shall be in accordance with all applicable laws, ordinances, codes, rules, requirements and regulations of the City and County and any subdivision, agency or authority thereof, and, prior to commencing construction or development, MARUICHI shall secure all permits, licenses, and authorizations required by law.
- d. Subject to MARUICHI’s (a) receipt of the Certificate of Occupancy (as defined below) by October 1, 2024, (b) commencement of operations at the Facility, and (c) submission to the City of the Annual Report (as defined below) verifying MARUICHI’s annual compliance with the Minimum Annual Performance Criteria (as defined below), MARUICHI will receive a tax abatement on the Eligible Personal Property and Real Property for five (5) consecutive calendar years (the “Abatement Period”). The “Certificate of Occupancy” shall mean a document received by the Chief Building Official of the City signifying that all work on the building has been complete and MARUICHI may commence operations in the Building.

- e. The Abatement Period shall begin on the tax period commencing on January 1, 2025 and conclude with the tax period ending on December 31, 2029. The abatement shall be conditional upon MARUICHI's annual compliance to the Minimum Annual Performance Criteria and terms and conditions of this Agreement.
  - f. Simultaneously with the execution of this Agreement, MARUICHI shall execute **Exhibit "C"** to certify no employment of undocumented workers, required by state law for economic development incentives.
2. Minimum Annual Performance Criteria. Commencing with and thereafter throughout the term of this Agreement, MARUICHI shall maintain the minimum number of Full-Time Jobs, Annual Payroll, and Taxable Value according to the table below (the "Minimum Annual Performance Criteria"). If MARUICHI fails to maintain the Full-Time Jobs, Annual Payroll, or Taxable Value, for a particular calendar year, then MARUICHI shall not receive the tax abatement, as described herein, for such year. For purposes of this Agreement (i) "Full-Time Jobs" shall mean the number of MARUICHI's employees that (1) with a regular work schedule of at least 36 hours per week as reported on the Texas Employers Quarterly Wage Report from the Texas Workforce, and (2) entitled to at least the customary employer-sponsored benefits package afforded by MARUICHI to its similarly situated employees at other similar locations in the United States, (ii) "Annual Payroll" shall mean the total wages and bonuses paid, exclusive of benefits, to the Full-Time Jobs, and (iii) "Taxable Value" shall mean the total Real Property and Eligible Personal Property ad valorem taxable value that are reported by the Guadalupe Appraisal District for a given calendar year that is directly attributable to the Property.

<b>Minimum Annual Performance Criteria</b>			
As Of	MARUICHI's Full Time Jobs	MARUICHI's Annual Payroll	Taxable Value
December 31, 2024	40	N/A	N/A
December 31, 2025	106	\$4,770,000	\$40,000,000
December 31, 2026	106	\$4,770,000	\$35,000,000
December 31, 2027	106	\$4,770,000	\$30,000,000
December 31, 2028	106	\$4,770,000	\$30,000,000

3. Tax Abatement.

- a. Tax abatement of the City's ad valorem taxes on the Real Property and Eligible Personal Property shall be granted annually by the City to MARUICHI during the Abatement Period in the following amounts if MARUICHI has: (1) complied with the Minimum Annual Performance Criteria, (2) obtained a Certificate of Occupancy for the Facility on or before October 1, 2024 (subject to Force Majeure, as provided below) and has continually maintained operations in accordance with this Agreement, AND (3) no Event of Default by MARUICHI under this Agreement has occurred and is continuing after the expiration of the applicable notice and cure period, if any, under Section 15. For the purposes of this Agreement, "Added Value" means the value of the Real Property and Eligible Personal Property that is in excess of the Base Value (defined hereinafter).

<b>Tax Abatement Values</b>	
Year	% of Added Value of Real Property and Eligible Personal Property to be abated
2025	25%
2026	25%
2027	25%
2028	25%
2029	25%

- b. All valuations shall be determined by the Guadalupe Appraisal District as of January 1<sup>st</sup> of each year. All of the Real Property and Eligible Personal Property in Guadalupe County will be timely rendered by MARUICHI with Guadalupe Central Appraisal District pursuant to Chapter 22 of the Texas Tax Code. After the Abatement Period expires, the full value of the Real Property and Eligible Personal Property shall be included on the tax roll and assessed in accordance with applicable laws, and this Agreement shall terminate.
- c. As required by Section 312.204(a) of the Act, it is the intent of the City and MARUICHI to abate the City's ad valorem taxes only on the value of Real Property and Eligible Personal Property that is in excess of the Base Value. The Parties agree the Base Value to be \$759,906 (the "Base Value") which was estimated using the 2022 Notice of Appraised Value by Guadalupe Appraisal District for with

Parcel ID 51563 having a value of \$719,274 and Parcel ID 51121 having a value of \$40,632. The Parties further acknowledge that on January 1, 2022, the Facility (other than the land that is part of the Real Property) was not in the Zone or on the Property.

4. Facility and Inspections. Employees and/or designated representatives of the City will have access to the Property during the term of this Agreement to inspect the Facility to ensure that the construction, maintenance, and operation of the Facility are in accordance with the terms and conditions of this Agreement. All inspections: (a) will be made during normal business hours; (b) will be preceded by at least five business days' prior written notice to MARUICHI; (c) will be conducted in such a manner as to not unreasonably interfere with the construction of the Facility or the operation of the Facility or MARUICHI's business; and (d) the City's inspector shall follow MARUICHI's written safety and security policies. This Section 4 is not meant to alter or change the City's right to inspect for other reasons, including but not limited to building inspections done through the permitting process.
5. Annual Certification of MARUICHI. During each year of the Abatement Period, MARUICHI shall submit an Annual Certification Report ("Annual Report") to the City each year no later than February 15<sup>th</sup>. The Annual Report shall report MARUICHI's compliance with this Agreement and the Minimum Annual Performance Criteria. Annual abatements for each calendar year will be conditioned upon MARUICHI being in compliance with this Agreement and the Minimum Annual Performance Criteria. The Annual Report should substantially conform to the Annual Report Form hereto attached as **Exhibit "B"**. With each Annual Report, MARUICHI shall also submit the Certification Regarding Employment of Undocumented Worker s hereto attached as **Exhibit "C"**. The first Annual Report shall be filed no later than February 15, 2025. MARUICHI acknowledges that City will be unable to confirm MARUICHI's compliance with the Minimum Annual Performance Criteria without the Annual Report and MARUICHI's failure to comply with this Section 5 could result in loss of the tax abatement for that year.
6. Use and Rendering. The use of the Property and/or Facility is limited to those uses by MARUICHI consistent with the general purpose of encouraging development or redevelopment of the Zone during the Abatement Period. On or before **March 31<sup>st</sup>** of each year of the Abatement Period, MARUICHI shall file an "Application for Property Tax Abatement Exemption" (the "Annual Application for Abatement") form with the Guadalupe Central Appraisal District declaring the Zone to be the tax situs of the Real Property and Eligible Personal Property, identified in the corresponding **Exhibit "A"**, and will render all of MARUICHI's personal property in Guadalupe County with Guadalupe Central Appraisal District during each year of the Abatement Period. The first Annual Application for Abatement shall be filed no later than March 31, 2025. Notwithstanding anything to the contrary stated herein, if there is any discrepancy between the Annual Application for Abatement and this Agreement, this Agreement shall control.
7. Covenants of MARUICHI. MARUICHI covenants and agrees with City that, while this Agreement is in effect, MARUICHI will comply with the following terms and conditions, which are material terms to this Agreement:

- a. MARUICHI shall timely perform and comply in all material respects with all terms, conditions, and provisions set forth in this Agreement to be performed and/or complied with by MARUICHI, including, without limitation, any such terms and conditions governing timely completion of the Building(s) and/or renditions as provided by this Agreement;
  - b. MARUICHI shall pay all ad valorem real or personal property taxes owed by MARUICHI, and not abated hereunder, to the City, Guadalupe County or Seguin Independent School District prior to delinquency, subject to MARUICHI's right to protest or appeal taxes as permitted by law; and
  - c. MARUICHI shall provide accurate and truthful information in all documentation provided to the City, including but not limited to **Exhibit "B"** and **"C"**.
8. City's Remedies. For each year of the Abatement Period that MARUICHI: (a) owes ad valorem taxes to the City, County or Seguin Independent School District that are delinquent and not subject to a timely filed and maintained protest or appeal; or (b) fails to meet the Minimum Annual Performance Criteria during a calendar year, then the tax abatement provided in Section 3 shall be forfeited by MARUICHI for the subsequent calendar year, and City shall not be required to send a Notice of Default (as defined below). If MARUICHI is convicted of a violation of 8 U.S.C. Section 1324(a)(f) as described in **Exhibit "C"**, this Agreement shall be terminated, and upon such termination, MARUICHI shall immediately pay to the City the amount of City property tax abated in the prior year within one hundred twenty (120) days of receiving an invoice from the City of the amount due. Failure of MARUICHI to timely pay the amount due under this Section 8 will result in interest compounding monthly at a rate of six percent (6%) per annum from the date due until paid. If this Agreement is terminated as provided in this Section 8 or Section 9, then MARUICHI shall not receive further abatement under this Agreement.
9. Termination for Nonuse. Subject to Force Majeure (as defined hereinafter) and except for temporary closures of ninety (90) days or less for remodeling, repairs, renovations, and expansions, in the event that the Facility are completed and MARUICHI subsequently discontinues operations of the Facility for a period of ninety (90) days during the Abatement Period, then the same will constitute an Event of Default by MARUICHI under this Agreement. If MARUICHI fails to cure such Event of Default after receipt of written notice thereof from the City and the expiration of the cure period described in Section 15, the City may, at its option, terminate this Agreement by providing written notice of termination to MARUICHI. "Force Majeure" means an event, circumstance, or condition that is outside the reasonable control of the party obligated to perform, including, without limitation, labor disputes, strikes, lock-outs, or other industrial disturbances; civil disturbances; war; military or usurped power; sabotage; weather events; fires, earthquakes, tornadoes, floods, explosions, landslides, lightning, hurricanes, washouts, or other casualty; acts of God; inability to procure or general shortage of labor, equipment, facilities, materials, or supplies in the open market; terrorism; invasion; epidemics; governmental orders issued after the Effective Date in response to pandemics, including,

without limitation, the pandemic known as “corona virus” or “COVID-19”; states of emergency declared by federal, state, or local governments after the Effective Date; insurrection; riot; mob violence; acts of public enemies; civil commotion; interruption or failure of power or other public utility; failure of transportation or unusual delay in transportation; condemnation; orders of any kind of governmental authorities or any civil or military authority; requisition; action or inaction by governmental authorities; governmental restrictions or regulations; closures of governmental offices; unforeseen subsurface conditions; explosions, breakage, or accidents to machinery, pipelines, or canals; or partial or entire failure of power or water supply.

10. Conflicts. This Agreement is made subject to all conditions, prohibitions, obligations, acts of default, termination, reimbursement and recapture contained in the Act. In case of conflict between this Agreement and the Act, the Act shall control.
11. Recitals. The recitals to this Agreement are incorporated as if fully set forth herein and were relied on by the parties when entering into this Agreement.
12. Term of Agreement. This Agreement shall become effective on January 1, 2023. If Owner does not acquire fee simple ownership of the Property by January 1, 2023, this Agreement shall be *void ab initio* and never take effect. This Agreement shall terminate on December 31, 2029, unless terminated earlier as expressly allowed by this Agreement; provided, however, this Agreement shall be *void ab initio* and shall have no force and effect if, subject to Force Majeure, MARUICHI has not received Certificate of Occupancy by October 1, 2024 for the Facility, which deadline may only be extended by the actual number of days of any prevention, delay, nonperformance, or stoppage due to the Force Majeure event.
13. Notices. Any notice required by or permitted under this Agreement must be in writing and given to the party at the address specified below. Notice may be given by certified or registered mail, personal delivery, courier delivery, or e-mail and will be effective when received, provided that (a) any notice received on a Saturday, Sunday, or holiday will be deemed to have been received on the next day that is not a Saturday, Sunday, or holiday and (b) any notice received after 5:00 P.M. local time at the place of delivery on a day that is not a Saturday, Sunday, or holiday will be deemed to have been received on the next day that is not a Saturday, Sunday, or holiday. Any address for notice may be changed by not less than ten days’ prior written notice given as provided herein.

If to MARUICHI, then to:

Maruichi Stainless Tube Texas Corporation  
Attention: Osamu Teshima  
13-1,Chofuminato-machi  
Shimonoseki, Yamaguchi, Japan, 752-0953

With a copy to:

Pillsbury Winthrop Shaw Pittman LLP  
Attention: Shinya Akiyama  
31 West 52nd Street,  
New York, NY 10019-6131 USA

If to the City, then to:

City of Seguin  
Attention: City Manager  
205 N. River Street  
Seguin, Texas 78155

With a copy to:

City of Seguin | Seguin Economic Development Corporation  
Attention: Executive Director, Economic Development  
205 N. River Street  
Seguin, Texas 78155

If any notice is not received or cannot be delivered due to a change in address of the receiving party, of which notice was not properly given to the sending party, or due to a refusal to accept by the receiving party, such notice shall be effective on the date delivery is attempted.

14. Assignment. MARUICHI shall not have the right to assign its rights or obligations under this Agreement to any third party without the prior written consent of the City, which consent will not be unreasonably withheld, conditioned or delayed so long as the assignee expressly assumes all of the obligations of MARUICHI under this Agreement for the balance of the term of this Agreement. Notwithstanding anything to the contrary set forth in this Agreement, MARUICHI may assign all or part of its rights and obligations under this Agreement to any domestic owner, parent or subsidiary of MARUICHI (such entity, an “Affiliate”), and any such assignment will not result in an Event of Default or a breach of this Agreement; provided, however, that (i) MARUICHI must notify the City in writing at least thirty (30) days after any such assignment; and (ii) an assignee Affiliate must expressly assume all or part (as applicable) of the obligations of MARUICHI under this Agreement for the balance of the Term of this Agreement. Notwithstanding any partial assignment of MARUICHI’s rights and obligations under this Agreement, the aggregate of each and every requirement under this Agreement fulfilled by MARUICHI and the Affiliate assignee will count towards satisfying the requirements (including, but not limited to, the Minimum Annual Performance Criteria requirements) under this Agreement.
15. Event of Default. It shall be an “Event of Default” that cannot be cured if MARUICHI (a) fails to meet the Minimum Annual Performance Criteria for a calendar year during the Abatement Period; (b) is unable to truthfully complete the annual Certification Regarding

Employment of Undocumented Workers attached as Exhibit “C”; (c) fails to timely pay all ad valorem real or personal property taxes owed by MARUICHI, and not abated hereunder or subject to a timely filed and maintained protest or appeal, to the City, County or Seguin Independent School District; or (d) subject to Force Majeure, fails to obtain a Certificate of Occupancy by June 30, 2025 for the Facility. Any failure by a party to perform any other material term or provision of this Agreement shall, subject to the provisions of this Agreement to the contrary, also constitute an “Event of Default”, if: (e) such defaulting party does not cure such failure within thirty (30) days following delivery of a notice of default from the other party (“Notice of Default”), where such failure is of a nature that can be cured by commercially reasonable efforts within such thirty (30) business day period; or (f) where such failure is not of a nature which can be cured by commercially reasonable efforts within such thirty (30) day period, the defaulting party does not within such thirty (30) day period provide written notice to the other party of the time reasonably needed to cure, why such additional time is needed and the detailed timeline of the steps to be taken and when, and then commence reasonable substantial efforts to cure such failure, or thereafter does not within a reasonable time prosecute to completion with diligence, continuity, and at the times reflected in the provided timeline the curing of such failure and cure such failure within a maximum of ninety (90) days. The failure to pay money shall not constitute a default allowing cure under clause (f) above. An Event of Default under Section 9 shall not constitute a default allowing cure under clause (f) above or otherwise. Any Notice of Default given hereunder shall specify in reasonable detail the nature of the failures in performance by the defaulting party and the manner, if any, in which such failures of performance may be satisfactorily cured in accordance with the terms and conditions of this Agreement. Nothing in this Agreement shall limit or waive any right or remedy available to a party to seek injunctive relief or other expedited judicial and/or administrative relief to prevent irreparable harm. Nothing in this Agreement shall limit or waive the right of any party to assert, claim or plead any defenses or immunities provided by law.

16. Force Majeure. All deadlines provided for in this Agreement shall be automatically extended by the number of days of delay by which a party’s performance is delayed as the result of Force Majeure.
17. Limited Liability. Unless expressly permitted by this Agreement, neither party shall in any circumstances be liable to the other party under, arising out of or in any way connected with this Agreement for any consequential loss or damage or special or punitive damages, whether arising in contract or tort, including negligence. MARUICHI acknowledges and agrees that this Agreement is not an agreement to provide goods or services to the City.
18. City’s Authority. City represents that this Agreement was approved by the affirmative vote of a majority of the members of the governing body of the City Council of the City of Seguin at a regularly scheduled meeting, and Steve Parker, City Manager, was authorized to sign on behalf of the City of Seguin Texas.
19. MARUICHI’s Authority. MARUICHI represents and warrants that: (1) it has sufficient legal authority to conduct business in the State of Texas; (2) it has full capacity and

authority to grant all rights and assume all obligations that it has granted and assumed under this Agreement; and (3) that the person or persons executing this Agreement on its behalf has been duly authorized to do so.

20. Entire Agreement. This Agreement is the entire agreement between the parties with respect to tax abatements.
21. Governing Law. This Agreement shall be governed by the laws of the State of Texas, and venue for any action concerning this Agreement shall be in the State District Court of Guadalupe County, Texas. The parties agree to submit to the personal and subject matter jurisdiction of said Court.
22. Counterparts. This Agreement may be executed in counterparts. Each of the counterparts shall be deemed an original instrument, but all the counterparts shall constitute one and the same instrument. A facsimile or other electronic copy of a signature, and a counterpart transmitted electronically (e.g., by fax, email, text, or similar means), will be deemed to be, and will have the same force and effect as, an original signature for all purposes.
23. Survival of Covenants. Any of the representations, warranties, covenants, and obligations of the parties, as well as any rights and benefits of the parties, pertaining to a period of time following the termination of this Agreement shall survive termination.
24. Confidentiality. MARUICHI understands and acknowledges that the City is subject to, and will comply with, the Texas Public Information Act (Tex. Gov't. Code Ann Sec. 552.001 et seq.) or any equivalent or successor statute and information, including information about MARUICHI, possessed by the City is subject to disclosure to the public thereunder. However, the City will, to the extent permissible under the Texas Public Information Act, maintain the confidentiality of the employee identification numbers and employment status provided by MARUICHI. The City's right to verify the existence of Full-Time Jobs will be accomplished in a manner that does not breach any privacy policy of MARUICHI or require access to MARUICHI's client information. The foregoing confidentiality provisions are not intended to limit MARUICHI's written reports required under this Agreement.
25. Exhibits. The following Exhibits are attached to this Agreement and are part of this Agreement:

**Exhibit "A"** Ordinance creating Zone with Zone Property Description and Description of the Property subject to this Agreement

**Exhibit "B"** Annual Certification Report Form

**Exhibit "C"** Certification Regarding Employment of Undocumented Workers

IN WITNESS WHEREOF, the parties hereby have executed this Agreement as of the day and year first set forth above.

*[signature pages follow]*

**AGREED AND ACCEPTED:**

**Maruichi Stainless Tube Texas Corporation, a  
Delaware Corporation**

**By:** \_\_\_\_\_

**Its:** \_\_\_\_\_

**Print Name:** \_\_\_\_\_

**THE STATE OF** \_\_\_\_\_

**COUNTY OF** \_\_\_\_\_

Before me, the undersigned authority, on this day personally appeared \_\_\_\_\_, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he/she executed the same for the purposes and consideration therein expressed, in the capacity therein stated and as the act and deed of said MARUICHI.

Given under my hand and seal of office on this \_\_\_ day of \_\_\_\_\_ 2022.

\_\_\_\_\_  
Notary Public, State of \_\_\_\_\_

**AGREED AND ACCEPTED:**

**CITY OF SEGUIN, TEXAS**

\_\_\_\_\_  
**Steve Parker, City Manager**

**THE STATE OF TEXAS**

**COUNTY OF GUADALUPE**

Before me, the undersigned authority, on this day personally appeared Steve Parker, City Manager of the City of Seguin, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated and as the act and deed of said municipality.

Given under my hand and seal of office on this \_\_\_ day of \_\_\_\_\_ 2022.

\_\_\_\_\_  
Notary Public, State of Texas

**EXHIBIT "A"**

**ORDINANCE CREATING ZONE WITH ZONE PROPERTY DESCRIPTION AND  
DESCRIPTION OF THE PROPERTY SUBJECT TO THIS AGREEMENT**

**CITY OF SEGUIN**

**ORDINANCE NO. 2019-074**

**STATE OF TEXAS**

**AN ORDINANCE DESIGNATING A 60.95 ACRE, MORE OR LESS TRACT OF LAND, OUT OF THE HUMPHRIES BRANCH SURVEY NUMBER 17, ABSTRACT 6, LOCATED BETWEEN EIGHTH AND GUADALUPE STREETS, AS A REINVESTMENT ZONE PURSUANT TO CHAPTER 312 OF THE TEXAS TAX CODE; MAKING CERTAIN FINDINGS IN CONNECTION THEREWITH; PROVIDING AN EFFECTIVE DATE; AND PROVIDING A SEVERABILITY CLAUSE**

**WHEREAS**, the City Council of the City of Seguin desires to create the proper economic and social environment to induce the investment of private resources in productive business enterprises located in distressed areas of the City and to provide employment opportunities within such areas; and

**WHEREAS**, the City Council finds that the 60.95 acre, more or less, tract of land owned by the Seguin Economic Development Corporation and as more particularly described as more particularly described by map and metes and bounds in the attached Exhibit "A", which is incorporated herein for all purposes, is within the City of Seguin city limits; and

**WHEREAS**, the City Council finds that the improvements sought to the property are feasible and practical and would be a benefit to the area after expiration of any subsequent tax abatement agreement; and

**WHEREAS**, the City Council finds that the designation of the area as a reinvestment zone is likely to contribute to the retention and expansion of primary employment, and is likely to attract major investment in the area; and

**WHEREAS**, a public hearing was held to consider this ordinance on November 5, 2019; and

**WHEREAS**, the City Council finds that it is in the City's interest to designate the property as a reinvestment zone pursuant to Texas Tax Code Section 312.201;

**NOW, THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SEGUIN, TEXAS:**

**SECTION ONE.** The facts and recitations contained in the above recitals are found and determined to be true and correct.

**SECTION TWO.** The City Council finds that the property to be included in the Seguin Reinvestment Zone Number 5, consisting of 60.95 acres, more or less, located between Eighth and Guadalupe Streets and as depicted on Exhibit "A," is an area that is

Exhibit A - ORDINANCE CREATING ZONE WITH ZONE PROPERTY DESCRIPTION

reasonably likely as a result of the designation as a reinvestment zone to contribute to the retention or expansion of primary employment or to attract major investment in the Reinvestment Zone Area that would be a benefit to the Reinvestment Zone Area and that would contribute to the economic development of the City.

**SECTION THREE.** The City Council designates the Reinvestment Zone Area as Seguin Reinvestment Zone Number 5 for tax abatement purposes under Chapter 312 of the Texas Tax Code.

**SECTION FOUR.** All ordinances and resolutions or parts of ordinances or resolutions in conflict with this ordinance are repealed.

**SECTION FIVE.** If any clause or provision of this ordinance shall be deemed to be unenforceable for any reason, such unenforceable clause or provision shall be severed from the remaining portions of the ordinance, which shall continue to have full force and effect.

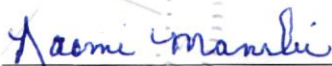
**SECTION SIX.** That this ordinance shall take effect from and after its passage as the law and charter in such case provides.

**PASSED AND APPROVED** on first reading on the 5<sup>th</sup> day of November 2019.

**PASSED AND APPROVED** on second reading on the 19<sup>th</sup> day of November 2019.

  
\_\_\_\_\_  
Don Keil, Mayor

ATTEST:

  
\_\_\_\_\_  
Naomi Manski, City Secretary

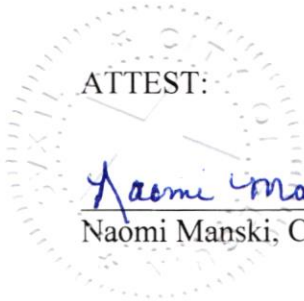




Exhibit A - ORDINANCE CREATING ZONE WITH ZONE PROPERTY DESCRIPTION



114 North Austin Street  
Seguin, Texas 78155  
Phone (830) 372-1001 Fax (830) 379-1155  
License Number 10042400

Field notes describing a 60.95 acre tract of land situated in the Humphries Branch Survey No. 17, Abstract 6, City of Seguin, Guadalupe County, Texas, being all that tract of land called Tract 1, all that tract of land called Tract 2 and all that tract of land called Tract 3, conveyed to Blumberg Family Investment Partnership, L.P., by deed recorded in Volume 2360, Page 737, Official Records, Guadalupe County, Texas, and all that tract of a called 2.642 acres, conveyed to Blumberg Family Investment, L.P., by deed recorded in Volume 1178, Page 890, Official Records, Guadalupe County, Texas and being more particularly described as follows: Note: All set pins are 1/2" diameter rebar with an orange plastic cap stamped "Tri-County".

**Beginning** at an iron pin set in the west right-of-way line of Guadalupe Street, for the southeast corner of a tract of land called 36.385 acres, described in Document Number 2016006394, Official Records, Guadalupe County, Texas, the northeast corner of Tract 3 and the northernmost northeast corner of the herein described tract. Said pin bears S 00° 00' 00" E, 752.75 feet from a 1/2" diameter iron pin with a plastic cap stamped CEC, found for the northeast corner of the 36.385 acre tract.

**Thence**, S 00° 00' 00" E, 100.00 feet with the west right-of-way line of Guadalupe Street and the easternmost east line of Tract 3, to an iron pin set for the northeast corner of a tract of land called 3.42 acres, described in Volume 431, Page 3, Deed Records, Guadalupe County, Texas, the easternmost southeast corner of Tract 3 and the northernmost southeast corner of the herein described tract.

**Thence**, S 89° 38' 20" W, 348.50 feet with the north line of the 3.42 acre tract and the easternmost south line of tract 3, to an iron pin set for the northwest corner of the 3.42 acre tract, the northeast corner of Tract 2, being an interior corner of the herein described tract.

**Thence**, S 00° 21' 40" E, 555.52 feet with the west line of the 3.42 acre tract, the west line of a tract of land called 1 acre, described in Volume 20, Page 17, Deed Records, Guadalupe County, Texas and the east line of Tract 2, to a point in the north line of Tract 1, for the southwest corner of the 1 acre tract, the southeast corner of Tract 2, being an interior corner of the herein described tract.

**Thence**, N 89° 37' 59" E, 345.00 feet with the south line of the 1 acre tract and the north line of Tract 1, to an iron pin set in the west right-of-way line of Guadalupe Street, for the southeast corner of the 1 acre tract, the northeast corner of Tract 1, being the southernmost northeast corner of the herein described tract.

## Exhibit A - ORDINANCE CREATING ZONE WITH ZONE PROPERTY DESCRIPTION

Page 2 of 3  
60.95 acres.

**Thence**, S 00° 09' 50" W, 518.28 feet with the west right-of-way line of Guadalupe Street and the easternmost east line of Tract 1, to an iron pin set for the northeast corner of a tract of land called 125 foot x 125 foot, and also referred to as Lots 6 and 7, Block 6, Baxter Addition to the City of Seguin, plat recorded in Volume 21, Page 208-209, Deed Records, Guadalupe County, Texas, conveyed to Jim Stewart President of Dura Deck LTD, by deed recorded in Volume 3138, Page 219, Official Records, Guadalupe County, Texas, for the easternmost southeast corner of Tract 1, and the herein described tract.

**Thence**, N 89° 21' 39" W, 125.00 feet with the north line of the 125 foot X 125 foot tract and the easternmost south line of the Tract 1, to an iron pin set for the northwest corner of the 125 foot X 125 foot tract, being an interior corner of Tract 1 and the herein described tract.

**Thence**, S 00° 09' 50" W, 125.00 feet with the west line of the 125 foot X 125 foot tract and an east line of Tract 1, to an iron pin set in the north right-of-way line of W. Seideman Street, also being the north line of Ann Street as shown on said plat of Baxter Addition, for the southwest corner of the 125 foot x 125 foot tract, a southeast corner of Tract 1 and the herein described tract.

**Thence**, N 89° 21' 39" W, 254.84 feet with the north right-of-way line of W. Seideman Street and a south line of Tract 1, to an iron pin set for the northwest corner of Seideman Street, being an interior corner of Tract 1 and the herein described tract.

**Thence**, S 00° 05' 12" W, 22.00 feet with the west right-of-way line of Seideman Street and an east line of Tract 1, to an iron pin set for the westernmost northwest corner of a tract of land called 7.853 acres, described in Volume 1293, Page 399, Official Records, Guadalupe County, Texas, a southeast corner of Tract 1 and the herein described tract.

**Thence**, S 89° 58' 58" W, with the westernmost north line of the 7.853 acre tract and a south line of Tract 1, at 50.50 feet a 1" diameter pipe found, continuing for a total distance of 805.41 feet, to a 60d nail found in a 6" diameter fence post for the northeast corner of the 2.642 acre tract, the northwest corner of the 7.853 acre tract and being an interior corner of the herein described tract.

**Thence**, S 04° 26' 49" E, 243.86 feet with the west line of the 7.853 acre tract and the east line of the 2.642 acre tract, to a ½" diameter iron pin found in the northeast line of the Southern Pacific Railroad, for the southwest corner of the 7.853 acre tract, the southeast corner of the 2.642 acre tract and the southernmost southeast corner of the herein described tract.

**Thence**, N 75° 28' 34" W, 969.53 feet with the northeast line of the Southern Pacific Railroad and the southwest line of the 2.642 acre tract, to an iron pin set in the east right-of-way line of Eighth Street for the southwest corner of the 2.642 acre tract and the herein described tract.

Exhibit A - ORDINANCE CREATING ZONE WITH ZONE PROPERTY DESCRIPTION

Page 3 of 2  
60.95 acres.

**Thence**, N 00° 02' 02" E, 1303.48 feet with the east right-of-way line of Eighth Street, the west line of Tract 1 and the west line of Tract 3, to an iron pin set for the southwest corner of the 36.385 acre tract, the northwest corner of Tract 3 and the herein described tract.

**Thence**, N 89° 38' 20" E, 2106.01 feet with the south line of the 36.385 acre tract to the **Place of Beginning** and containing 60.95 acre of land according to a survey made on the ground on June 3, 2019, by Tri-County Surveying Inc.

Corresponding plat prepared.  
Project No. 1808110



*Aubrey C. Holland*  
**Aubrey C. Holland**  
Registered Professional  
Land Surveyor No. 4493





METES AND BOUNDS DESCRIPTION  
FOR

A 33.240 acre, or 1,447,924 square feet more or less, tract of land out of that called 60.95 acre tract described in deed to Seguin Economic Development Corporation recorded in Document No. 201999014434 of the Official Public Records of Guadalupe County, Texas, out of the Humphreys Branch Survey No. 17, Abstract No. 6, Guadalupe County, Texas, in the City of Seguin, Guadalupe County, Texas. Said 33.240 acre tract being more fully described as follows, with bearings based on the Texas Coordinate System established for the South Central Zone from the North American Datum of 1983 NAD 83 (NA2011) epoch 2010.00:

**BEGINNING:** At a found ½" iron rod at the southernmost corner of said 60.95 acre tract, at the southwest corner of a called 7.853 acre tract recorded in Volume 1293, Page 399 of said Official Public Records and on the north line of the Galveston Harrisburg & San Antonio Railway recorded in Volume N, Page 723 of the Deed Records of Guadalupe County, Texas;

**THENCE:** N 76°40'14" W, with a south line of said 60.95 acre tract and the north line of said Railway, a distance of 890.17 feet to a found ½" iron rod with a yellow cap marked "Pape-Dawson" at the southeast corner of a called 0.4317 of an acre tract recorded in Document No. 202299002069 of said Official Public Records, being an expansion of 8<sup>th</sup> Street, a variable width public right-of-way, recorded in Volume 373, Page 440 of said Deed Records;

**THENCE:** Departing the north line of said Railway, with the east right-of-way line of said 8<sup>th</sup> Street, the following bearings and distances:

N 01°09'13" W, a distance of 158.00 feet to a found ½" iron rod with a yellow cap marked "Pape-Dawson";

Northwesterly, along a tangent curve to the left, said curve having a radius of 65.50 feet, a central angle of 66°32'23", a chord bearing and distance of N 34°25'24" W, 71.86 feet, for an arc length of 76.07 feet to a found ½" iron rod with a yellow cap marked "Pape-Dawson";

Northwesterly, along a reverse curve to the right, said curve having a radius of 50.00 feet, a central angle of 66°32'23", a chord bearing and distance of N 34°25'24" W, 54.86 feet, for an arc length of 58.07 feet to a found ½" iron rod with a yellow cap marked "Pape-Dawson";

N 01°09'13" W, a distance of 403.92 feet to a found ½" iron rod at the northeast corner of said 0.4317 of an acre tract and on the south line of Lot 1, 8<sup>th</sup> Street Industrial Park Unit 1, recorded in Volume 9, Page 227 of the Map and Plat Records of Guadalupe County, Texas;

**THENCE:** N 88°27'11" E, departing the east right-of-way line of said 8<sup>th</sup> Street, at a distance of 1754.40 feet passing a found ½" iron rod with a cap marked "Tri-County" at the southeast corner of said Lot 1 and the southwest corner of a tract of land described in deed to Eduardo Cruz and Claudia Cruz recorded in Volume 2203, Page 960 of said Official Public Records, continuing with the south of line of said Cruz tract for a total distance of 2099.40 feet to a found ½" iron rod with a cap marked "Tri-County" on the west right-of-way line of N. Guadalupe Street, a variable width public right-of-way line and at a northeast corner of said 60.95 acre tract;

# Exhibit A - DESCRIPTION OF THE PROPERTY SUBJECT TO THIS AGREEMENT

33.240 Acres  
Job No. 12859-00  
Page 2 of 2

- THENCE: S 01°01'14" E, with the east line of said 60.95 acre tract and the west right-of-way line of said N. Guadalupe Street, a distance of 518.46 feet to a found ½" iron rod with a cap marked "Tri-County" at a southeast corner of said 60.95 acre tract and at the northeast corner of a called 0.358 of an acre tract recorded in Volume 3138, Page 219 of said Official Public Records;
- THENCE: S 89°28'24" W, departing the west right-of-way line of said N. Guadalupe Street, with a south line of said 60.95 acre tract and the north line of said 0.358 of an acre tract, a distance of 125.00 feet to a found ½" iron rod at a reentrant corner of said 60.95 acre tract and at the northwest corner of said 0.358 of an acre tract;
- THENCE: S 01°00'07" E, with an east line of said 60.95 acre tract and the west line of said 0.358 of an acre tract, a distance of 125.00 feet to a found ½" iron rod with a cap marked "Tri-County" at a southeast corner of said 60.95 acre tract, at the southwest corner of said 0.358 of an acre tract and on the north right-of-way line of Seideman Street, a variable width public right-of-way;
- THENCE: S 89°28'25" W, with a south line of said 60.95 acre tract, and the north right-of-way line of said Seideman Street, a distance of 254.84 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson" at a reentrant corner of said 60.95 acre tract and at the northwest corner of said Seideman Street;
- THENCE: S 00°46'02" E, with an east line of said 60.95 acre tract and the west right-of-way line of said Seideman Street, a distance of 22.00 feet to a found ½" iron rod at a southeast corner of said 60.95 acre tract and the northeast corner of said 7.853 acre tract;
- THENCE: S 88°49'01" W, with a south line of said 60.95 acre tract and the north line of said 7.853 acre tract, a distance of 805.36 feet to a found ½" iron rod at a reentrant corner of said 60.95 acre tract and the northwest corner of said 7.853 acre tract;
- THENCE: S 05°35'55" E, with an east line of said 60.95 acre tract and the west line of said 7.853 acre tract, a distance of 243.92 feet to the POINT OF BEGINNING and containing 33.240 acres in the City of Seguin, Guadalupe County, Texas. Said tract being described in conjunction with a survey made on the ground and a survey map prepared under job number 12859-00 by Pape-Dawson Engineers, Inc.

PREPARED BY: Pape-Dawson Engineers, Inc.  
DATE: September 9, 2022  
JOB NO. 12859-00  
DOC. ID. N:\CIVIL\12859-00\Word\12859-00 FN 33.240 AC.docx



# Land Subject to Proposed Abatement Agreement

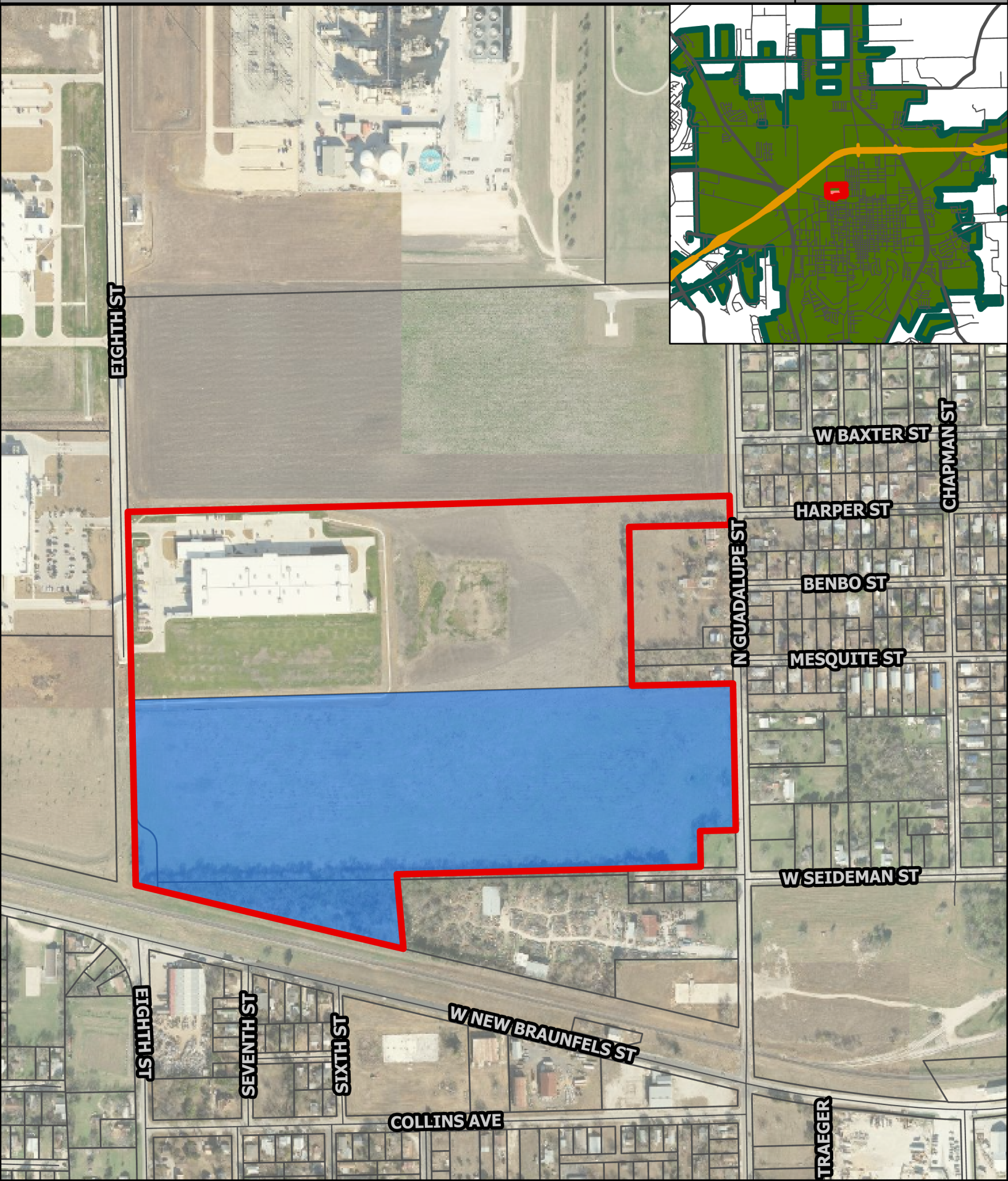


It's real.

 Seguin Reinvestment Zone #5

 Land Subject to Proposed Abatement Agreement

This map is for information purposes only and represents the best data available at the time of printing. The City of Seguin assumes no liability for errors on this map or use of this information.



**EXHIBIT "B"**

**ANNUAL CERTIFICATION REPORT FORM**

(See following two pages.)



## CITY OF SEGUIN TAX ABATEMENT AGREEMENT ANNUAL CERTIFICATION REPORT

**Reporting Period:** January 1 to December 31, 20\_\_

The Annual Certification Report for the City of Seguin Tax Abatement Agreement (the “Agreement”) between the City of Seguin and Maruichi Stainless Tube Texas Corporation (“MARUICHI” or “Company”) is due on February 15, 20\_\_.

I. Company Information			
<b>Company Legal Name:</b>	Maruichi Stainless Tube Texas Corporation, a Delaware Corporation		
<b>Address:</b>	1621 Eighth Street		
<b>City:</b> Seguin	<b>State:</b> Texas	<b>Zip:</b> 78155	
<b>Primary Contact:</b>	<b>Title:</b>		
<b>Phone Number:</b>	<b>Email Address:</b>		

II. Company Performance Obligations – Capital Investment and Taxes	
<b>Date Company completed Project construction?</b>	
<b>Date Company commenced Business Operations?</b>	
<b>Total Project Capital Investment?</b>	
<b>Ad valorem taxable value for Real Property for the calendar year?</b>	
<b>Ad valorem taxable value for Personal Property for the calendar year?</b>	
<b>Is Company current on ad valorem tax payments to local entities?</b>	

If any of the above obligations have not been met, please attach statement explaining circumstances.

III. Company Performance Obligations – Employment and Wages	
Number of Full Time Employees at the Facility during the Calendar Year?	
Total Annual Payroll for the Facility during the Calendar Year?	
Has the Company knowingly employed undocumented workers?	
If any of the above obligations have not been met, please attach statement explaining circumstances.	

IV. Additional Information - Voluntary	
Number of new full-time positions added in past year:	
Total annual payroll exclusive of benefits:	
Total annual payroll inclusive of benefits	

*(continued on next page)*

## V. Certification

I certify that, to the best of my knowledge and belief, the information and attachments provided herein are true and accurate and in compliance with the terms of the Agreement.

I further certify that the representations and warranties contained within the Agreement remain true and correct as of the date of this Certification, and Owner remakes those representations and warranties as of the date hereof.

I further certify that the employment and wage information provided is true and accurate to the best of my knowledge and I can provide documentation to support my claim if so requested.

I understand that this Certificate is being relied upon by the City of Seguin and the Seguin Economic Development Corporation in connection with the expenditure of public funds.

I have the legal and express authority to sign this Certificate on behalf of Company.

\_\_\_\_\_  
**Name of Certifying Officer**

\_\_\_\_\_  
**Title**

\_\_\_\_\_  
**Phone**

\_\_\_\_\_  
**Email**

\_\_\_\_\_  
**Signature of Certifying Officer**

\_\_\_\_\_  
**Date**

The Annual Certification Report is to be completed, signed and returned on or before February 15<sup>th</sup> of each year. Please send an original to the following address:

**City of Seguin | Seguin Economic Development Corporation  
Attention: Executive Director, Economic Development  
205 N. River Street, Seguin, Texas 78155**

**EXHIBIT “C”**

**Certification Regarding the Employment of Undocumented Workers**

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) The business receiving any public subsidies provides pursuant to this Agreement, or a branch, division, or department of the business, does not and will not knowingly employ undocumented workers at or in connection with the Facility. For purposes of this Certification, “Public Subsidies” means grants, loans, loan guarantees, benefits relating to an enterprise or empowerment zone, fee waivers or rebates, land price subsidies, infrastructure development and improvements designed to principally benefit a single business or defined group of businesses, matching funds, tax refunds, tax rebates, or tax abatements. For purposes of this Certification, “undocumented worker” means an individual who, at the time of employment, is not:

- (A) lawfully admitted for permanent residence to the United States; or
- (B) authorized to work in the United States under the federal Immigration and Nationality Act or by the Department of Homeland Security.

(2) If, after receiving the Public Subsidies provide herein, the business entity or a branch, division, or department of the business, is convicted of a violation under 8 U.S.C. to be Section 1324a(f), the business shall repay the amount of the Public Subsidy with interest to be charged at the statutory rate for delinquent taxes as determined by Section 33.01 of the Property Tax Code of the State of Texas, but without the addition of a penalty, according to the terms provided by this Agreement under V.T.C.A. Government Code § 2264.053, not later than the 120<sup>th</sup> day after the date the City notifies the business of the violation. As provided by Section 2264.101(c) of the Texas Government Code, MARUICHI will not be liable for a violation by a subsidiary, affiliate, or franchisee of MARUICHI or by a person with whom MARUICHI contracts.

This certification is a material representation of fact upon which reliance was placed when this Agreement was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by V.T.C.A. Government Code § 2264.

**Company:** \_\_\_\_\_

**By:** \_\_\_\_\_

\_\_\_\_\_  
(Type name and title)