

SEDC Resolution No. 2026-08

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
SEGUIN ECONOMIC DEVELOPMENT CORPORATION
(SEDC) AUTHORIZING THE EXECUTION OF A
PERFORMANCE AGREEMENT WITH KTH TEXAS, INC.

WHEREAS, the Seguin Economic Development Corporation (the “SEDC”) is a public instrumentality and non-profit economic development corporation duly established and operating under Texas Local Government Code, Chapters 501 and 504, *et seq.*, as amended, known as the Development Corporation Act of 1979 (the “Act”); and

WHEREAS, the Act, as amended (Section 501.001 *et seq.*, Texas Local Government Code, formerly the Development Corporation Act of 1979) authorizes a development corporation to fund certain projects as defined by the Act and requires development corporations to enter into performance agreements to establish and provide for the direct incentive or make an expenditure on behalf of a business enterprise under a project; and

WHEREAS, Section 501.158 of the Act requires a performance agreement to provide at a minimum for a schedule of additional payroll or jobs to be created or retained and capital investment to be made as consideration for any direct incentives provided or expenditures made by a corporation under an agreement and to specify the terms under which repayment must be made if the business enterprise does not meet the performance requirements specified in the agreement; and

WHEREAS, KTH Texas, Inc. (the “Company”) is seeking to construct a new manufacturing facility and distribution center within the City of Seguin for its automotive manufacturing and distribution, consisting of approximately 250,000 square feet; while also committing to a minimum capital investment of \$100 million dollars in the construction of the facility and related improvements, as well as the acquisition of machinery and equipment for manufacturing purposes (the “Project”); and

WHEREAS, the Company also intends to create at least 125 new full-time jobs within five (5) years of opening; and

WHEREAS, the Company has requested economic incentives in the form of a Performance Agreement with the SEDC to assist in constructing the facility, creating primary jobs, and promoting and enhancing the economic development in the City of Seguin; and

WHEREAS, the SEDC has reviewed the terms, conditions, incentives and obligations related to the implementation of the Project, has considered and evaluated the financial and other merits of the Project, and has found it in compliance with the Act to be meritorious of incentives in the form of a forgivable jobs loan, payable on behalf of each new, full-time job created at the Seguin facility over a period of five years,

not to exceed 173 jobs but of a minimum of 125 jobs, in an amount not to exceed \$519,000.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SEGUIN ECONOMIC DEVELOPMENT CORPORATION THAT:

SECTION 1. All the recitals above are true and correct and are incorporated herein as if restated in full.

SECTION 2. The SEDC Board of Directors authorizes the Executive Director to execute a Performance Agreement between the SEDC and KTH Texas, Inc., as reflected in the attached Exhibit A.

SECTION 3. This Resolution is effective upon passage.

PASSED AND APPROVED on the 25th day of June 2026 by the Board of Directors of the Seguin Economic Development Corporation.

Elaine Bennett, President

ATTEST:

Eddie Davila Jr., Secretary