



**ECONOMIC
DEVELOPMENT
CORPORATION**

**City of Seguin
2019 Tax Abatement
Compliance Report**

Agreement: Caterpillar, Inc.

Abatement Details	<p>In 2009, Caterpillar announce plans to build its new manufacturing facility in the City of Seguin. In exchange for the investment and associated job creation, the City of Seguin entered into a 10-year 100% tax abatement with Caterpillar. The tax abatement is applicable to real and personal property described in Section 3(a) and 3(b) of the agreement.</p> <p>Real Property Abatement: Beginning January 1, 2010 and expiring December 31, 2019 Personal Property Abatement: Beginning January 1, 2011 and expiring on December 31, 2020.</p>	
Caterpillar Compliance Requirements	Compliance Met (Y/N)	
Has the Owner maintained the minimum capital investment (measured at original cost: \$161 Million) required by Section 4(c) in the given year?	Yes. Current year appraised value - \$167,425,051	
Has the owner maintained the minimum required number of jobs as set forth in Section 4(d) (1,099 FTE's)?	Yes. Caterpillar reported 1,493 FTE's as of January 1, 2020. FT - Direct: 1,089 FT - Temporary: 404	
Has the owner remained current in ad valorem tax payments to all local taxing entities during the abatement period?	Yes.	
Has the owner remained a City of Seguin wastewater utility customer? And has the owner remained current in its City utility payments for the period of the abatement?	Yes.	
Did the owner certify in writing its compliance with the terms of the agreement on or before March 1 st ?	Yes. Caterpillar submitted signed electronic certification documents on 1/30/2020	

Agreement: Tractor Supply Company

Abatement Details

In 2014, Tractor Supply Company selected a 13-acre property in Seguin to build a new 60,000 square foot distribution facility at a cost of approximately \$8 Million. In exchange for the investment, the City of Seguin entered into a tax abatement agreement with Tractor Supply Company. Per the agreement, and provided that Tractor Supply Company complies with the terms of the agreement, the existing and any real estate or ad valorem property taxes hereafter imposed by the City on the taxable value of (i) the Facility; and (2) the increase in value of the Property above the assessed value of the Property for the tax year 2014, will be abated for five years as follows:

- 2016 - 25% of the tax assessed on the Facility
- 2017 - 25% of the tax assessed on the Facility
- 2018 – 25% of the tax assessed on the Facility
- 2019 – 25% of the tax assessed on the Facility
- 2020 -25% of the tax assessed on the Facility

Tractor Supply Company - Compliance Requirements

Compliance Met (Y/N)

Has owner remained current in ad valorem tax payments to all local taxing entities? (Section 5.03)

Yes.

Did the owner certify in writing its compliance with the terms of the agreement on or before January 15th? (Section 4.01)

Yes. TSC sent signed electronic documents on 1/16/20

Tractor Supply Company – Additional Reported Information (not required for compliance)

Number of FTE's as of January 1, 2020

Tractor Supply Company Reported 19 FTE's
(Note: Per terms of the agreement, TSC does not have employee benchmark)

Agreement: Minigrip, LLC.

Abatement Details

In 2018, Minigrip committed to investing \$3.87 Million in new extrusion and conversion manufacturing equipment at their facilities located at 1650 N. Heideke Street and 1024 Freeport Way. In exchange for the investment, the City of Seguin entered into a tax abatement agreement with Minigrip. Per the agreement, and provided that Minigrip complies with the terms of the agreement, the entire assessed value of the tangible personal property listed in Section 3(a) of the Agreement shall be exempt from the City of Seguin ad valorem taxes for a five-year period as follows:

- 2019 – 60% of the tax assessed on the value of the personal property
- 2020 – 55% of the tax assessed on the value of the personal property
- 2021 – 50% of the tax assessed on the value of the personal property
- 2022 – 45% of the tax assessed on the value of the personal property
- 2023 – 40% of the tax assessed on the value of the personal property

Minigrip - Compliance Requirements	Compliance Met (Y/N)
Did the owner purchase and install the personal property subject to this agreement at its Seguin facility by December 31, 2018? (Section 4.f)	Yes
Did the personal property subject to the agreement constitute an investment of approximately \$3.87 Million? (Section 4.d)	Yes. Current year appraised value: \$4,077,741
Has the owner maintained its current employment being at least (180) jobs within the City of Seguin? (Section 5.b)	Yes. Minigrip reported that their current FTE's as of January 1, 2020 is 220. Direct – FT: 179 Temporary – FT: 41
Has the owner remained a City of Seguin utility customer (water and electric) and remained current in its City utility payments for the period of the abatement? (Section 5.g)	Yes
Did the owner certify in writing its compliance with the terms of the agreement on or before January 15 th ? (Section 5.i)	Yes. Minigrip sent signed electronic documents on 1/15/20