



**ECONOMIC  
DEVELOPMENT  
CORPORATION**

**To:** Donna Dodgen, Mayor  
Seguin City Council

**CC:** Steve Parker, City Manager  
Mark Kennedy, City Attorney

**From:** Alora Wachholz, Director of Economic Development

**Date:** 07-07-2026

**Subject:** Resolution authorizing the SEDC Executive Director to execute a Performance Agreement between the Seguin Economic Development Corporation and KTH Texas, Inc.

**Overview**

On June 25, 2026, the Seguin Economic Development Corporation (SEDC) Board of Directors voted to approve Resolution 2026-08, authorizing the SEDC Executive Director to execute a Performance Agreement between the SEDC and KTH Texas, Inc. (Company). This Performance Agreement outlines the following terms and conditions for incentivization:

**SEDC agrees to the following:**

- Pay \$3,000 per new Full Time Job created via a reimbursable forgivable loan not to exceed \$519,000, acting similarly to a grant payment, paid in arrears annually over the course of 5 years
- Only the first 173 new Full Time Jobs created are eligible for incentive
- Only Full Time Jobs (defined as positions with a minimum standard of 36 hours per week and eligible for Company benefits) are eligible for incentive – no temporary, part-time, or rotating staffing agency employees will count

**Company agrees to the following performance terms:**

- Company shall make a minimum new Capital Investment of \$100,000,000 by December 31, 2028
- Construction of Facility shall commence no later than March 31, 2027
- Business operations shall commence no later than December 31, 2028
- Company must create a minimum of 125 Full Time Jobs no later than December 31, 2030
- Company must remain operational throughout the term of the agreement
- Provide annual report to SEDC verifying employment information at Facility
- Retain incented positions throughout full term of the Agreement
- All incented positions must maintain annual wage minimums equal to or greater than Guadalupe County average wages for similar job positions, as defined by Standard Occupational Classification (SOC) codes provided by the U.S. Bureau of Labor Statistics

This Performance Agreement represents part of an overall incentive package between the City of Seguin, the SEDC, and the Company, that results in a robust and varied benefit result to the City, while also assisting to answer the Company’s financial gap needs which would otherwise prevent the project from coming to fruition. Because this project is located in the City’s approved Tax Increment Reinvestment Zone Number 3, certain benefits resulting from the combined incentive package will be retained within that TIRZ fund, while other portions will be returned directly to the City’s General Fund.

The estimated 10-year Cost-Benefit Analysis for this project follows:

<b>10-Year Cost</b>	
- Property Tax Rebate (Part of Chapter 380)	\$3,584,332.19
- Sales Tax Rebate (Part of Chapter 380)	\$35,472.83
- SEDC Jobs Payments (Part of Performance Agreement)	\$519,000.00
<b>Total Cost Value Estimated:</b>	<b>\$4,138,805.02</b>

<b>10-Year Benefit Minus Cost</b>	
- City Fees	\$388,972.85
- City Property Tax Revenue	\$658,732.51
- City Sales Tax Revenue	\$6,570.86
- SEDC Sales Tax Revenue	\$8,408.74
- TIRZ No. 3 Investment (City)	\$4,394,421.98
- TIRZ No. 3 Investment (County)	\$2,759,801.47
<b>Total Benefit Value Estimated Less Cost:</b>	<b>\$8,216,910.41</b>

<b>Additional Benefits</b>	
- New Full-Time Primary Jobs created	125 – 173+
- Average Annual Wages	+Guadalupe County average wages per SOC Code
- Developed Ag Exempt acreage	+40 acres
- Catalyst for future Light Industrial development at NewQuest	
- Building FDI engagement	
- Addition to automotive supplier cluster in Seguin	

### **Fiscal Impact**

An amount not to exceed \$519,000 from the SEDC Incentives & Infrastructure Fund.

### **Staff Recommendation**

Staff recommends approval of a Resolution authorizing the SEDC Executive Director to execute a Performance Agreement between the Seguin Economic Development Corporation and KTH Texas, Inc.

### **Attachments**

1. Resolution authorizing the SEDC Executive Director to execute a Performance Agreement between the Seguin Economic Development Corporation and KTH Texas, Inc.
  - a. Exhibit A: Performance Agreement between the SEDC and KTH Texas, Inc.
2. EXECUTED SEDC Resolution 2026-08 authorizing the SEDC Executive Director to execute a Performance Agreement between the Seguin Economic Development Corporation and KTH Texas, Inc.
3. Performance Agreement between the SEDC and KTH Texas, Inc.