



**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 | SEDC Executive Director

**Date:** 04-07-2026

**Subject:** Approval of a Mutual Termination Agreement for a Tax Abatement between the City of Seguin and Yukon Venture Partners, LLC

**Overview**

The City of Seguin entered into a four-year, declining rate structure Tax Abatement agreement in early 2022, with Yukon Venture Partners, LLC, for an approximately 15.8-acre piece of property they purchased in order to build a 150,000 square-foot cold storage facility immediately west of Tyson Foods. The Tax Abatement Zone for this property was created via Ordinance No. 2021-22 and the abatement conditions were approved via Resolution 2022R-007, approved on Mary 3, 2022. The structure of the abatement terms are as follows:

Year of Abatement	Percentage of Abatement
One	75%
Two	65%
Three	55%
Four	45%

Yukon’s major performance terms associated with receiving benefit of this City Tax Abatement include:

- Build a 150,000 square foot cold storage facility on the subject property
- Facility must be operational no later than November 15, 2024

On June 7, 2023, Council approved a First Amendment to the Tax Abatement agreement via Resolution 2023R-092, which provided Yukon with one change to their performance terms:

- Facility must be operational no later than December 31, 2024

On April 16, 2024, Council approved a Second Amendment to the Tax Abatement with Yukon via Resolution 2024R-093, which again changed the facility operations performance term:

- Facility must be operational no later than December 31, 2025

In both cases of amendment to the original contract, Yukon had approached the City and requested extensions because they needed more time to find a potential user for the facility. Upon missing the Second Amendment deadline of December 31, 2025, for the commencement of operations, as well as due to a lack of movement on the property, both in beginning development on the property and of locating interested parties, Yukon and City Staff have determined it is the most jointly beneficial and prudent course of action to mutually terminate the existing Tax Abatement agreement as it stands.

Yukon has expressed an interest in continuing to work diligently with Economic Development Staff to promote the property and find a tenant to build for- potentially in the dry goods storage space rather than cold storage- and will continue to act in this manner to see the property positively developed in the future.

**Fiscal Impact**

There is no direct financial implication to the mutual termination of this Tax Abatement agreement.

**Staff Recommendation**

Staff requests the Seguin City Council consider and approve the Mutual Termination Agreement for a Tax Abatement between the City of Seguin and Yukon Venture Partners, LLC.

**Attachments**

1. Mutual Termination Agreement for Tax Abatement between City of Seguin and Yukon Venture Partners, LLC
  - a. Original Tax Abatement (COS & Yukon): 05/04/2022
  - b. First Amendment to the Tax Abatement (COS & Yukon): 06/07/2023
  - c. Second Amendment to the Tax Abatement (COS & Yukon): 04/24/2024