

STATE OF TEXAS

**A RESOLUTION APPROVING THE TERMINATION OF THE MUNICIPAL PROPERTY TAX ABATEMENT AGREEMENT BETWEEN THE CITY OF SEGUIN AND COFFEE TECH INDUSTRIES, INC. FOR CONSTRUCTION AND OPERATION OF A NEW HEADQUARTERS AND MANUFACTURING FACILITY IN SEGUIN, TEXAS**

**WHEREAS**, on July 7, 2020, the City Council, along with the Seguin Economic Development Corporation and Guadalupe County, approved economic incentives, including a Municipal Property Tax Abatement Agreement with Coffee Tech Industries, Inc. ("CTI"); and

**WHEREAS**, in return for specified economic development incentives, CTI was to build a 112,000 square foot state of the art manufacturing facility and corporate headquarters on a 33-acre site situated between 8<sup>th</sup> and Guadalupe Streets south of IH-10; and

**WHEREAS**, according to the agreements CTI was to commence construction on or before December 31, 2020, which was extended to June 1, 2021; and

**WHEREAS**, operations were to commence on or before the extended date of December 31, 2022; and

**WHEREAS**, as part of the agreement to extend the dates the City, the SEDC and Guadalupe County added a default clause that stated in the event that construction did not commence on or before June 1, 2021, the entities reserved the right to terminate their respective agreements; and

**WHEREAS**, CTI has informed city staff that they were unable to secure funding and they were terminating their project for an indefinite time.

**NOW THEREFORE, BE IT RESOLVED** by the City Council of the City of Seguin, Texas:

**Part 1.** The City Council hereby finds the Coffee Tech Industries has not met the obligations set forth in the Municipal Tax Abatement Agreement.

**Part 2.** Through the default provisions in the Municipal Tax Abatement Agreement the City Council hereby exercises its right of termination.

**Part 3.** The Municipal Tax Abatement Agreement between the City of Seguin and Coffee Tech Industries is hereby terminated effective on the day this Resolution passed.

**PASSED AND APPROVED** on the 17<sup>th</sup> day of August 2021.

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DONNA DODGEN, MAYOR

ATTEST:

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Naomi Manski, City Secretary