

**STATE OF TEXAS**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEGUIN, TEXAS,  
AUTHORIZING THE EXECUTION OF A PERFORMANCE AGREEMENT BETWEEN  
THE SEGUIN ECONOMIC DEVELOPMENT CORPORATION AND AJJ SEGUIN 1,  
LLC.**

**WHEREAS**, the Seguin Economic Development Corporation (the “SEDC”) is a public instrumentality and non-profit industrial 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**, AJJ Seguin 1, LLC, (the “Developer”), founded in 1987, has successfully completed the development of more than 18 million square feet of retail projects from small freestanding facilities to million square foot plus multi-tenant projects throughout Texas and the Southeastern United States; and

**WHEREAS**, the Developer is seeking to construct a new 135,000 square foot retail development in Seguin, at an estimated cost of \$25,000,000; said retail development to be constructed on a +/- 14-acre tract of land located at the northeast corner of Jay Road and the Interstate 10 Frontage Road (the “Development”); and

**WHEREAS**, the Developer expects the Development to realize annual sales of approximately \$30,000,000, and estimates the generation of approximately \$2,475,000.00 in state and local sales taxes collected and remitted each year; and

**WHEREAS**, the Developer seeks certain incentives from the SEDC to help offset costs associated with the installation and construction of certain infrastructure improvements to serve the new Development; and

**WHEREAS**, Tex. Gov’t Code Sec. 501.103 authorizes expenditures that are found by the SEDC to be required or suitable for infrastructure necessary to promote or develop new or expanded business enterprises, limited to streets and roads, rail spurs, water and sewer utilities, electric utilities, or gas utilities, drainage, site improvements, and related improvements.; and

**WHEREAS**, the SEDC has considered the request of the Developer for such incentives, evaluated the plans and intentions of the Developer to generate new tax revenue and create jobs in the City of Seguin, and desires to offer the incentives in the form of an “Infrastructure Grant” as provided herein to the Developer; and

**WHEREAS**, on September 12, 2024, the SEDC Board of Directors approved SEDC Resolution NO. 2024.17, authorizing the execution of a Performance Agreement between the SEDC and AJJ Seguin 1, LLC; and

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

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

**SECTION 2.** The Seguin City Council authorizes the SEDC Executive Director to execute a Performance Agreement between the SEDC and AJJ Seguin 1, LLC., as reflected in the attached Exhibit “A”.

**SECTION 3.** That this Resolution is effective on the date of its passing.

**PASSED AND APPROVED this 17<sup>th</sup> day of September 2024.**

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**DONNA DODGEN  
MAYOR**

**ATTEST:**

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**Kristin Mueller, City Secretary**