

**CITY OF SEGUIN, TEXAS  
AND  
SEGUIN ECONOMIC DEVELOPMENT CORPORATION  
CHAPTER 380 ECONOMIC DEVELOPMENT AGREEMENT**

This CHAPTER 380 ECONOMIC DEVELOPMENT AGREEMENT (the “Agreement”) is entered into by and between the **CITY OF SEGUIN, TEXAS**, a Texas home-rule municipality (the “City”), and the **SEGUIN ECONOMIC DEVELOPMENT CORPORATION**, a Texas development corporation authorized by Chapters 501 to 505 of the Texas Local Government Code (the “SEDC”), (each referred to herein as a “Party”, and collectively as the “Parties”), and is entered into as of the date of execution by the Parties.

**RECITALS**

**WHEREAS**, the City, acting as Lender through its Utility Fund, desires to loan a certain sum of money to the SEDC, acting as Borrower of such funds, for construction of a 16-inch water line to serve the TriPoint Logistics Center site owned by Ackerman & Co.; and

**WHEREAS**, the future water line will serve the approximately 119-acre future industrial site, located generally to the south of I-10 and north of FM 464, which is located within the City of Segun’s Water Utility Certificate of Convenience and Necessity (CCN); and

**WHEREAS**, construction of the 16-inch water line by the SEDC will support the expansion of industrial businesses at the Ackerman & Co. site, and will assist in the creation of both primary jobs and a more diversified and robust economic base for the City and the State of Texas; and

**WHEREAS**, industrial development on this land would benefit the City’s utility systems by adding additional industrial customers that may likely provide significant revenue to the system; and

**WHEREAS**, this loan is for the purpose of constructing the above-described water utility line project; and

**WHEREAS**, the SEDC finds that the water line project constitutes a “project” authorized by Section 501.103, Texas Local Gov’t Code, in that it is suitable for infrastructure necessary to promote or develop new or expanded business enterprises, and as such is consistent with the primary objectives of the SEDC; and

**WHEREAS**, both the SEDC, through Resolution 2024-11, and the City, through Resolution 2024R-178 have each approved entering into the terms of this transaction; and

**NOW, THEREFORE**, on the 6th day of August 2024, hereinafter known as the "Start Date", the City agrees to pay to the SEDC a single advance in the principal sum of **THREE MILLION, NINE HUNDRED FIFTY-EIGHT THOUSAND, SEVEN HUNDRED**

**NINETEEN DOLLARS AND FIFTY-EIGHT CENTS** (\$3,958,719.58 USD). SEDC agrees to pay back said funds to the City in the manner as follows:

## **AGREEMENT**

### **SECTION 1. RECITALS INCORPORATED.**

All foregoing Recitals are hereby incorporated into the body of this Agreement and shall be considered part of the mutual covenants, consideration, and promises that bind the Parties.

### **SECTION 2. TERM**

This Agreement shall commence as of the Start Date and shall continue in effect until all terms herein have been fulfilled and the repayment of all funds, including the Loan principal and any interest accrued, has been completed from the SEDC to the City. This Agreement shall terminate upon final payment, unless extended by mutual agreement of the Parties.

### **SECTION 3. DEFINITIONS**

The following words shall have the following meanings when used in this Agreement:

- (a) “Payment” means the amounts paid by the SEDC to the City under this Program.
- (b) “Loan” means the funds provided from the City to the SEDC in an amount as identified herein and to be used to fulfill the Project scope of work.
- (c) “Project” means the construction of a 16-inch water line that will serve the approximately 119-acre TriPoint Logistics Center site currently owned by Ackerman & Co. and located generally to the south of IH-10 and north of FM 464, fully within the City of Seguin, Texas.
- (d) “Program” means the economic development program for this Project established by the City pursuant to Texas Local Government Code Chapter 380 and under the Ordinance to promote local economic development and stimulate commercial activity within the City.
- (e) “Start Date” is the date following execution of this Agreement and on which the SEDC receives an advanced payment by the City for the principal loan amount herein agreed upon.

### **SECTION 4. OBLIGATIONS OF THE SEDC**

In consideration of the City’s participation in the Program to act as a lender to the SEDC of funds required to complete the Project defined herein, the SEDC agrees to the following:

- (a) Repayment Schedule: The balance of the Loan shall be paid in nine (9) installments, each due on or before September 30 of the year as set forth below:
  - 1. Payment of \$72,723.74, paid in 2024,
  - 2. Payment of \$497,714.14, paid in 2025,
  - 3. Payment of \$500,714.14, paid in 2026,
  - 4. Payment of \$497,714.14, paid in 2027,

5. Payment of \$498,964.14, paid in 2028,
6. Payment of \$504,214.14, paid in 2029,
7. Payment of \$503,214.14, paid in 2030.
8. Payment of \$506,214.14, paid in 2031.
9. Payment of \$377,246.86, paid in 2032.

## **SECTION 5. EVENT OF DEFAULT**

(a) Interest Due in the Event of Default: In the event the SEDC fails to pay the Loan in-full on or before September 30, 2032, or in the event of default and acceleration under Section 5(b), below, any unpaid principal shall accrue interest at the maximum rate allowed by law, until the SEDC is no longer in default; otherwise, no interest shall accrue.

(b) Accelerated Payment: If the SEDC is in default under this Agreement or is in default under another provision of this Agreement, and such default is not cured within the minimum allotted time by law after written notice of such default, then the City may, at its option, declare all outstanding sums owed on the Loan to be immediately due and payable.

## **SECTION 6. MISCELLANEOUS PROVISIONS**

(a) Prepayment: The SEDC may pre-pay this Loan without penalty.

(b) Attorneys' Fees and Costs: The SEDC shall pay all costs incurred by the City in collecting sums due under this Agreement after a default, including reasonable attorneys' fees. If the City or the SEDC sues to enforce this Agreement or obtain a declaration of its rights hereunder, the prevailing party in any such proceeding shall be entitled to recover its reasonable attorneys' fees and costs incurred in the proceeding (including those incurred in any bankruptcy proceeding or appeal) from the non-prevailing party.

(c) Waiver of Presentments: The SEDC waives presentment for payment, notice of dishonor, protest and notice of protest.

(d) Non-Waiver: No failure or delay by the City in exercising the City's rights under this Agreement shall be considered a waiver of such rights.

(e) Severability: In the event that any provision herein is determined to be void or unenforceable for any reason, such determination shall not affect the validity or enforceability of any other provision, all of which shall remain in full force and effect.

(f) Integration: There are no verbal or other agreements which modify or affect the terms of this Agreement. This Agreement may not be modified or amended except by written agreement signed by Borrower and Lender.

(g) Conflicting Terms: The terms of this Agreement shall control over any conflicting terms in any other referenced agreement or document.

(h) Notice: Any notices required or permitted to be given hereunder shall be given in writing and shall be delivered (a) in person, (b) by certified mail, postage prepaid, return receipt requested, (c) by

facsimile, or (d) by a commercial overnight courier that guarantees next day delivery and provides a receipt, and such notices shall be made to the Parties at the addresses listed below.

(i) Execution: The City will execute this Agreement as a principal and not as a surety. If there is a Co-Signer, the City and Co-Signer shall be jointly and severally liable under this Agreement.

(j) Governing Law: This Agreement shall be governed under the laws in the State of Texas.

(k) Effective Date: This Agreement shall be effective as of August 6, 2024.

**IN WITNESS WHEREOF**, the parties hereto have caused this instrument to be duly executed.

AUTHORIZED:

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Steve Parker, City Manager

**CITY:**  
**CITY OF SEGUIN TEXAS,**  
a Texas Home-Rule Municipality  
205 N River Street  
Seguin, Texas 78155

ATTEST:

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Mark Kennedy, City Attorney

AUTHORIZED:

\_\_\_\_\_  
Josh Schneuker, Executive Director

**SEDC:**  
**SEGUIN ECONOMIC  
DEVELOPMENT CORPORATION,**  
a Texas Development Corporation  
211 N River Street  
Seguin, Texas 78155

ATTEST:

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Allison Bastian Rodriguez, SEDC Attorney