

STATE OF TEXAS

**A RESOLUTION AUTHORIZING THE CITY MANAGER TO APPROVE AN AMENDMENT TO THE MUNICIPAL PROPERTY TAX ABATEMENT AGREEMENT WITH VME, LLC AND UNITED ALLOY TEXAS, LLC FOR CONSTRUCTION AND OPERATION OF A MANUFACTURING FACILITY IN SEGUIN, TEXAS**

**WHEREAS**, ON December 3, 2019, through Resolution 2019R-160, the Council approved a tax abatement agreement with VME LLC and United Alloy Texas, LLC; and

**WHEREAS**, the Tax Abatement Agreement is to be performed in three phases over a couple of years; and

**WHEREAS**, United Alloy completed the first phase of the Agreement, however due impacts from the COVID 19 pandemic, additional time is needed to complete the other two phases; and

**WHEREAS**, United Alloy can still commit to the original job creation by hiring 100 persons but needs to extend the timeline for completion until December 31, 2024; and

**WHEREAS**, United Alloy will also commit to the original capital investment of \$35 million dollars.

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

**Part 1.** The attached First Amended Tax Abatement Agreement with VME, LLC and United Alloy Texas, LLC for a period of five years commencing January 1, 2021, is hereby approved.

**Part 2.** The general terms and conditions provide for an initial abatement of 60% in the first year, with the abatement decreasing by 10% for the next three years with a 30% abatement for the final two effective years.

**Part 3.** The city manager is hereby authorized to enter into the attached First Amended Tax Abatement Agreement with VME, LLC and United Alloy Texas, LLC for the purpose of building and operating a manufacturing facility in Seguin, Texas.

**PASSED AND APPROVED** on the 21<sup>st</sup> day of December 2021.

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DONNA DODGEN, MAYOR

ATTEST:

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Naomi Manski, City Secretary