SEGUIN
TEXAS
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: 08-04-2026

Subject: Resolution Authorizing the SEDC Executive Director to execute a Performance Agreement between the Seguin EDC, VME, LLC, and United Alloy Texas, LLC

Overview

The SEDC voted to approve authorizing the SEDC Executive Director to execute the attached Performance Agreement with VME, LLC and United Alloy Texas, LLC on July 23, 2026. This Performance Agreement, now before City Council for final action via Resolution, addresses a determined financial gap for an economic development expansion project with existing Seguin company, United Alloy, located at 1721 8th Street, Seguin, Texas 78155.

The Project includes the construction of an additional 10,000 square feet of light industrial space in a separate building on existing property currently owned by United Alloy and at the rear of their existing 230,000 square foot facility, the installation of an additional heavy operation crane and associated equipment in their existing facility, and the hiring of an additional 45 new full-time employees for expanded operational purposes.

The added capital investment for this expansion is anticipated at $760,000 in new M&E and $1,038,000 in the new expansion building cost, resulting in an overall expected new capital investment of $1,798,000. The 45 new full-time employees that will be hired include Assemblers (31), Welders (9), Quality Auditors (1), and Supervisors (4).

Without financial assistance, the project is unable to occur and, due to both costs and timing needs, United Alloy would need to lease space to accommodate their growing operations before the end of 2026. There is no adequately sized and available lease space in Seguin or the Seguin ETJ at this time or in the near future to meet their needs.

The terms of the agreement include the following conditions:

United Alloy is obligated to:

- Make a new capital investment of at least $1.5 million for the construction of their expansion project and associated new M&E in Seguin.
- Complete the total minimum capital investment on or before December 31, 2027.
- Obtain a Certificate of Occupancy and begin operations by December 31, 2027.
- Create a total of 45 new full-time jobs with the following stipulations:
    - Each position must meet the following criteria: be an employee directly of United Alloy Texas, work an average minimum of 36 hours per week, be eligible for company benefits, maintain an average annual salary, less benefits, equal to or in excess of the Guadalupe County average annual wage for that similar job type, per Standard Occupational Classification (SOC) codes, and maintain full time job status for a minimum of one year following initial hire.
- United Alloy is required to provide proof of each of the above listed terms and conditions prior to receiving any grant payments from the SEDC.

The SEDC is obligated to:

- Provide a performance-based infrastructure grant payment of $375,000 upon United Alloy's obtention of a Certificate of Occupancy from the City of Seguin for their new expansion building.
- Provide a performance-based jobs grant payment of $125,000 upon United Alloy's proof of hiring a total of 45 new Full-Time Jobs at their Seguin facility for purposes related to their expanded operations.
- Total performance-based grants not to exceed $500,000.

Untied Alloy did receive prior incentive from the SEDC and the City of Seguin for their original entrance into the Seguin market, via a Performance Agreement and a Chapter 380 Agreement. The SEDC Performance Agreement required that United Alloy build their $35M facility and hire a minimum of 100 employees and the SEDC would provide the company the 27.28 acres of property they currently sit on, at an estimated cost of $860,000. The accompanying Chapter 380 Agreement with the City of Seguin asked the same measure of United Alloy in exchange for a 5-year, declining rate City property tax rebate, staggering down from 60% to 30%. Both of these agreements have been completed and United Alloy was able to meet and exceed the required terms of each.

United Alloy Seguin currently employs 300 full-time positions at their facility and are maximizing their existing space. By assisting in this expansion project, United Alloy will be able to increase their annual contract work significantly and better utilize their facility operations so that light assembly can be conducted in the expansion building, while additional heavy crane capacity inside the existing facility can be realized. By assisting in this investment in Seguin, this Performance Agreement seeks to keep building strong business locally for the future.

Fiscal Impact

Total incentive value not-to-exceed $500,000 from the SEDC Incentives & Infrastructure Fund.

Staff Recommendation

Staff recommends approval of a Resolution authorizing the SEDC Executive Director to execute a Performance Agreement between the Seguin EDC, VME, LLC, and United Alloy Texas, LLC

Attachments

1. Resolution Authorizing the SEDC Executive Director to execute a Performance Agreement between the Seguin EDC, VME, LLC, and United Alloy Texas, LLC
2. Performance Agreement between the Seguin EDC, VME, LLC, and United Alloy Texas, LLC