

**MEMORANDUM OF UNDERSTANDING BETWEEN
THE SEGUIN ECONOMIC DEVELOPMENT
CORPORATION AND THE CITY OF SEGUIN:
LAWSON STREET RECONSTRUCTION PROJECT**

This Memorandum of Understanding ("MOU") is to document the roles and responsibilities of the Seguin Economic Development Corporation (sometimes "SEDC") and the City of Seguin (sometimes "City") pertaining to the Lawson Street Reconstruction Project.

WHEREAS, the City of Seguin is a duly-incorporated and existing home rule municipality chartered under the laws of the State of Texas.

WHEREAS, the Seguin Economic Development Corporation is a public instrumentality and non-profit economic 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").

WHEREAS, the SEDC and the City (sometimes the "Parties") have mutual interests in the economic development of the City of Seguin.

WHEREAS, the Parties have been working with Tyson Foods (the "Company") on the current expansion of their existing Seguin Facility, which will represent a total capital investment of approximately \$58 Million and will help create at least 40 new jobs.

WHEREAS, to accommodate the relocation of the Company truck access point, which is necessary for the expansion of the exiting Seguin Facility, Lawson Street will need to be improved from Kingsbury Street (U.S. Hwy 90) to C.H. Matthies Drive.

WHEREAS, the City of Seguin is the recipient of a \$1 million grant from the Texas Department of Agriculture (TDA) Rural Business Fund; said grant was awarded to the City of Seguin to fund construction costs for the Lawson Street Reconstruction Project (the "Project").

WHEREAS, the SEDC and the City hereby find and determine that undertaking the Project with the infrastructure improvements cited herein will promote and develop new or expanded business enterprises in the City.

THE SEDC AND CITY ALLOCATE THEIR RESPONSIBILITIES AS FOLLOWS:

Section 1. City Obligations.

- (a) The City, as the grantee of the TDA grant award, will administer and ensure compliance with all the terms, provisions, conditions, and commitments of the grant award, as required by the TDA grant award rules and regulations.
- (b) Pursuant to a Design and Engineering Services Contract dated July 5, 2022, the City has engaged the services of Freese and Nichols, Inc. for design and engineering services; the City will administer and oversee said services as they pertain to the Project and pursuant to the terms of the Contract.

- (c) The City will procure a contract for construction in accordance with state procurement methods as required by law, and will be responsible for administration and oversight of the construction services as they pertain to the Project and pursuant to the terms of the Contract, from commencement of construction to construction completion.
- (d) The City will commit to financial participation in the Project in an amount not to exceed \$1,100,000.00. The City Investment represents a \$1,000,000.00 funding commitment equal to the grant award from the TDA, and a \$100,000.00 (10%) match of the grant award from the TDA.
- (e) The Seguin City Council will approve a budget amendment designating \$1,100,000.00 in funding for the Project.
- (f) The City's \$1,000,000.00 funding commitment will be reimbursed by the TDA Rural Business Fund Grant.

Section 2. SEDC Obligations.

- (a) The SEDC Investment in the Project will cover Project construction costs that exceed what will be covered by the \$1 million grant from the Texas Department of Agriculture (TDA) awarded to the City of Seguin for the Lawson Street Reconstruction Project, in an amount not to exceed \$400,000.00.
- (b) In conjunction with the approval of this Agreement, the SEDC Board of Directors will approve a budget amendment designating \$400,000.00 from the Incentive and Infrastructure Fund for the Project.
- (c) Upon confirmation of the final Project amount upon City procurement of a contract to construct the Project, the SEDC will transfer funds as described herein to the City, for costs of the Project which exceed \$1 million, and in an amount not to exceed \$400,000.00.

Section 3. Finalization of Project.

- (a) In the event the Project terminates or is otherwise not realized in full or in part, each Party will be relieved of its obligations as defined herein, pursuant to any legal requirements and responsibilities as may be provided by the terms of the grant and contracts. Each Party will receive a pro-rata refund of pre-paid amounts, calculated by reference to the percentage of progress made towards project completion at the time of Project termination or cessation.

Section 4. Miscellaneous Provisions.

- (a) This MOU will commence upon the last of approvals and signatures among the City of Seguin and the SEDC, and will dissolve at the completion of Project construction, or on July 1, 2023—whichever occurs sooner.
- (b) This Memorandum of Understanding may be amended only in writing and approved by both Parties, through their respective governing bodies or boards.

APPROVED BY THE CITY COUNCIL OF THE CITY OF SEGUIN, TEXAS, in its meeting held on the _____ day of _____, 2022, and executed by its authorized representative.

CITY OF SEGUIN, TEXAS

By:
Its:

ATTEST:

City Secretary

APPROVED BY THE SEGUIN ECONOMIC DEVELOPMENT CORPORATION in its meeting held on the 25th day of August, 2022, and executed by its authorized representative.

**SEGUIN ECONOMIC
DEVELOPMENT CORPORATION**



By Carlos Moreno, President

ATTEST:



Robert Meservey, Secretary