



**ECONOMIC  
DEVELOPMENT  
CORPORATION**

**MEMORANDUM**

**To:** Mayor Donna Dodgen  
Seguin City Council

**CC:** Steve Parker, City Manager  
Andrew Quittner, City Attorney

**From:** Josh Schneuker, Director of Economic Development / SEDC Executive Director

**Meeting Date:** May 16, 2023

**Subject:** 1<sup>st</sup> Amendment to Performance Agreement – SEDC and Yukon Ventures

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**Background Information**

On April 28, 2022, the SEDC Board of Directors approved Resolution 2022-07, authorizing a Performance Agreement with Yukon Venture Partners. Yukon Venture Partners, LLC was formed in 2018 by Marty Khait and Oliver Davis-Urman in Austin, TX to develop and finance Cold Storage facilities.

Yukon is planning to develop a cold storage warehouse facility in Seguin on a 15.8-acre tract of land located at the northwest corner of Lawson Street and US Hwy 90 (Kingsbury Street). The Facility will be at least **150,000 square feet**. The minimum total capital investment for the Project is anticipated to be at least **\$30,000,000**.

Per the terms of the Performance Agreement, the SEDC will provide a Performance Based Cash Grant to Yukon in the amount of **\$250,000.00**. In exchange for the Grant, Yukon has agreed to the following performance obligations:

- Yukon will commit to a **minimum Capital Investment of \$30,000,000.00** on or in connection with the development of the Subject Property.
- Yukon will **commence construction** on or before **May 15, 2023**. Commencement of construction will be evidenced by the issuance of a Building Permit by the City of Seguin.
- Yukon will **complete construction** on or before **November 15, 2024**. Completion of construction will be evidenced by the issuance of a Temporary or Final Certificate of Occupancy by the City of Seguin.

The SEDC Performance Based Cash Grant will be distributed in three payments, subject to Yukon subject to meeting the following terms:

- **1st Payment:** A cash grant in the amount of **\$83,333.33** shall be paid to Yukon within 30 days after closing on the Subject Property. **This payment was released to Yukon in June 2022.**
- **2<sup>nd</sup> Payment:** A cash grant in the amount of **\$83,333.33** shall be paid to Yukon within 30 days after issuance of a building permit by the City of Seguin.
- **3<sup>rd</sup> Payment:** A cash grant in the amount of **\$83,333.34** shall be paid to Yukon within 30 days after receiving a final Certificate of Occupancy from the City of Seguin, and subject to the Developer providing evidence of that the capital investment benchmark outlined below was met.

### **Proposed - First Amendment to Performance Agreement**

Yukon has made a formal request to the SEDC to amend the Performance Agreement as follows:

- Yukon will **commence construction** on or before **February 15, 2024**. Commencement of construction will be evidenced by the issuance of a Building Permit by the City of Seguin. The original deadline for completion of construction is May 15, 2023.
- The Developer will **complete construction** of the 150,000 square foot Facility at the Subject Property on or before **December 31, 2024**. Completion of construction will be evidenced by the issuance of a Temporary or Final Certificate of Occupancy by the City of Seguin. The original deadline for completion of construction is November 15, 2024.

Yukon is requesting the amendment to these dates due to delays they are currently experiencing as they move through the City's development process. Yukon's property is currently zoned Commercial. Yukon originally anticipated that they could construct their project within the Commercial zoning. However, it now appears that Yukon will need to rezone the property to Light Industrial in order to conform with the City's Unified Development Code. In addition to the zoning challenges, the Lawson Street Reconstruction Project, which is currently in the design phase, has also created delays for Yukon's development.

### **Staff Recommendation and Next Steps**

On May 4, 2023, the SEDC Board of Directors approved Resolution 2023-10, authorizing the First Amendment to the Performance Agreement between the Seguin Economic Development Corporation and Yukon Venture Partners, LLC. The SEDC Board of Directors and Staff recommend approval of this Resolution by the Seguin City Council.