

SEDC RESOLUTION NO. 2022-1

A RESOLUTION BY THE CITY OF SCHERTZ ECONOMIC DEVELOPMENT CORPORATION, TEXAS AUTHORIZING AN ECONOMIC DEVELOPMENT PERFORMANCE AGREEMENT BETWEEN THE CITY OF SCHERTZ ECONOMIC DEVELOPMENT CORPORATION AND SYSCO CORPORATION; AND OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, the City of Schertz Economic Development Corporation (“SEDC”) is a non-profit industrial development corporation duly established under the Development Corporation Act of 1979, as amended (Section 501.001 et seq. Texas Local Government Code, formerly the Development Corporation Act of 1979) (the “Act”);

WHEREAS, all of the powers of the corporation are vested in the SEDC Board of Directors (the “Board”) appointed by the governing body of the corporation’s authorizing unit; and

WHEREAS, the Act authorizes a development corporation to fund certain projects as defined by the Act and request development corporations to enter into performance agreements to establish and provide for the direct incentive or make an expenditure on behalf of a business enterprise under a project; and

WHEREAS, Sysco Corporation (“Company”) through wholly-owned subsidiary Sysco USA I, Inc. desires to expand its Texas operations within its existing building that is located at 1260 Schwab Rd, Schertz, Comal County, Texas 78132; and

WHEREAS, Company intends to maintain 450 full time employees with a minimum annual payroll of \$24,800,000 and create an additional 50 jobs totaling 490 jobs and a minimum annual payroll of \$27,400,000; and

WHEREAS, the SEDC intends to provide a 50% incremental rebate based upon the real and personal property taxes paid by Company for calendar years 2023, 2024 and 2025 to the City of Schertz; and

WHEREAS, the location of the Company, as proposed, will contribute to the economic development of the City of Schertz by creating new jobs and increased employment, promoting and developing expanded business enterprises, increased development, increased real property value and tax revenue for the City of Schertz, and will have both a direct and indirect positive overall improvement/stimulus in the local and state economy; and

WHEREAS, the SEDC desires to offer incentives to Company to enable Company to expand its local Facility and workforce pursuant to this Agreement in substantial conformity with the City of Schertz Economic Development Incentive Policy and the Act; and

WHEREAS, Section 501.158 of the Act requires an incentive agreement to provide at a minimum for a schedule of additional payroll or jobs to be created or retained and

capital investment to be made as consideration for any direct incentives provided or expenditures made by the corporation under the agreement and to specify the terms under which repayment must be made if the business enterprise does not meet the performance requirements specified in the agreement; and

WHEREAS, Section 501.073 of the Act requires the SEDC's authorizing unit to approve all programs and expenditures.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CITY OF SCHERTZ ECONOMIC DEVELOPMENT CORPORATION THAT:

1. The Board hereby approve the Economic Development Performance Agreement attached hereto as Exhibit A and authorizes the President to execute same, in substantially the same form attached, upon approval of the expenditure by the City Council.
2. The Board hereby recommends the City Council of Schertz consider nomination of Company for a State Enterprise Project Designation.
3. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the Board.
4. All resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.
5. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.
6. If any provision of this Resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and the board hereby declares that this Resolution would have been enacted without such invalid provision.
7. It is officially found, determined, and declared that the meeting at which this Resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given, all as required by Chapter 551, Texas Government Code, as amended.
8. This Resolution shall be in force and effect from and after its final passage, and it is so resolved.

PASSED AND ADOPTED, this 27th day of January, 2022.

CITY OF SCHERTZ ECONOMIC
DEVELOPMENT CORPORATION

DocuSigned by:

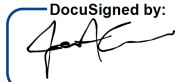
Sammi Morrill

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Sammi Morrill, SEDC Board Secretary for
Paul Macaluso, SEDC Board President

ATTEST:

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Jesse Carrasco, SEDC Board Treasurer

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Exhibit A

**ECONOMIC DEVELOPMENT PERFORMANCE AGREEMENT
SYSCO CORPORATION.**

[SEE ATTACHED]