

## RESOLUTION NO. R-2023-153

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BASTROP, TEXAS, APPROVING A PROJECT OF THE BASTROP ECONOMIC DEVELOPMENT CORPORATION (BEDC) WITH ACUTRONIC COMPANY AND ACUTRONIC REAL ESTATE GROUP, THE PROJECT OF WHICH CONSISTING OF THE SALE OF REAL PROPERTY AND THE PROVISION OF INCENTIVES TOTALING \$1,089,000.00 BY THE BEDC PURSUANT TO A PERFORMANCE AGREEMENT; PROVIDING FOR RECOUPMENT OF INCENTIVES PAID AND PROPERTY GRANTED IN THE EVENT OF NON-COMPLIANCE BY ACUTRONIC COMPANY AND ACUTRONIC REAL ESTATE GROUP; AUTHORIZING SIGNATORIES; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the Bastrop Economic Development Corporation (“BEDC”) is a public instrumentality and non-profit industrial development corporation duly established and operating under Local Government Code, Chapters 501 and 505 *et seq.*, as amended, known as the Development Corporation Act of 1979 (the “Act”), and is acting with the approval of the governing body of the City of Bastrop, Texas (the “City”); and

**WHEREAS**, the Acutronic Group, which includes Acutronic Real Estate and Acutronic Operating Company, develops and manufactures specialty components and products, including but not limited to, electric power systems, servo-actuators, micro turbines, and Hybrid-Electric-Propulsion-Systems, for use by the aerospace, defense, transportation, and related industries; and

**WHEREAS**, the Acutronic Group, through its Acutronic Real Estate Company, commits to constructing a minimum 20,000-square-foot industrial production and manufacturing facility, at a minimum capital investment of \$4,000,000.00, on approximately ten (10) acres of land currently owned by the BEDC and located in Bastrop, Texas, and for which Acutronic Real Estate has contracted to purchase from the BEDC as provided in Exhibit “A” (the “Project”); and

**WHEREAS**, the Acutronic Group, together with or through existing and future Affiliates, also commits to creating and retaining a minimum of 50 full-time jobs with an average total compensation of at least \$56,240.00 (also part of the “Project”); and

**WHEREAS**, Acutronic Real Estate is seeking funding in the form of performance-based financial incentives from the BEDC to help offset certain costs associated with its proposed facility construction and commencement of local operations; and

**WHEREAS**, the BEDC had considered and evaluated the conditions, incentives and obligations related to the Project, has found the Project to be in compliance with the Act and meritorious of incentives in the form of performance-based financial incentives; and, through its Board of Directors at a meeting held on September 25, 2023, took formal action to approve a performance-based financial incentive in the amount of \$1,089,000.00, to the Acutronic Group, in exchange for its compliance with the obligations and requirements contained in, and payable according to schedule provided by, the Performance Agreement included with this Resolution as Exhibit “B”; and

**WHEREAS**, the City has reviewed the September 25, 2023, actions of the BEDC related to the Project noted herein below; has considered and evaluated the Project; finds that the Project creates or retains primary jobs and is suitable for the development, retention, or expansion of

manufacturing and industrial facilities and is defined as a project within Local Government Code Sections 505.159 and 501.101; and finds it meritorious of the Council's approval; and

**WHEREAS**, it is hereby officially found and determined that the meeting at which this Resolution was passed was open to the public, and public notice of the time, place and purpose at which it was read was given in accordance with Chapter 551, Texas Government Code.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BASTROP, TEXAS, THAT:**

**SECTION 1.** The City Council of the City of Bastrop, Texas, hereby approves the Project and Resolution 2023-0013 passed by the BEDC Board of Directors on September 25, 2023, and the provision of \$1,089,000.00 in the form of economic development incentives conditioned on Performance Agreement compliance by Acutronic Group and Acutronic Real Estate.

**SECTION 2.** The City Manager is hereby authorized to execute a copy of this Resolution of approval, as appropriate.

**SECTION 3.** This Resolution shall take effect immediately from and after its passage, and it is duly resolved.

**DULY RESOLVED AND ADOPTED** by the City Council of the City of Bastrop this 10th day of October, 2023.

**APPROVED:**

\_\_\_\_\_  
Lyle Nelson, Mayor

**ATTEST:**

\_\_\_\_\_  
Ann Franklin, City Secretary

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Alan Bojorquez, City Attorney

**Exhibit A**  
**Purchase and Sale Agreement**

**Exhibit B**  
**Performance Agreement**