

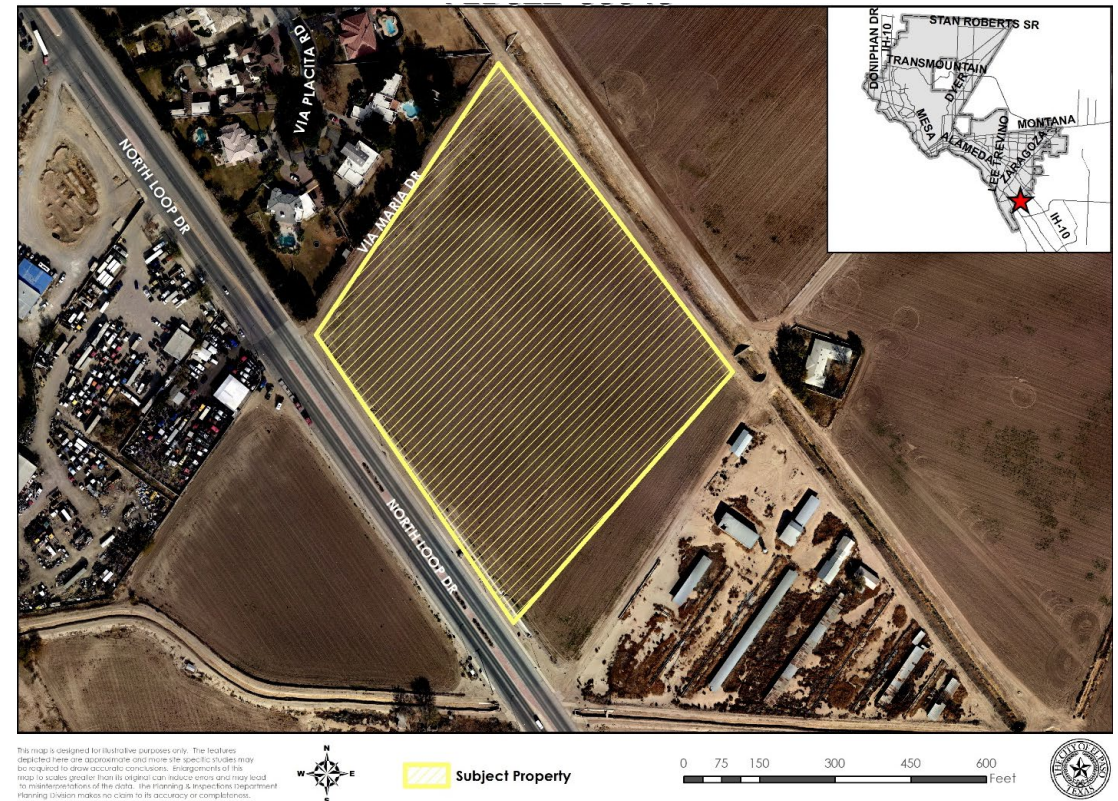


CLOP El Paso TX LLC: A Midsized Data Center Opportunity

Located on Private Property at N Loop and Via Maria

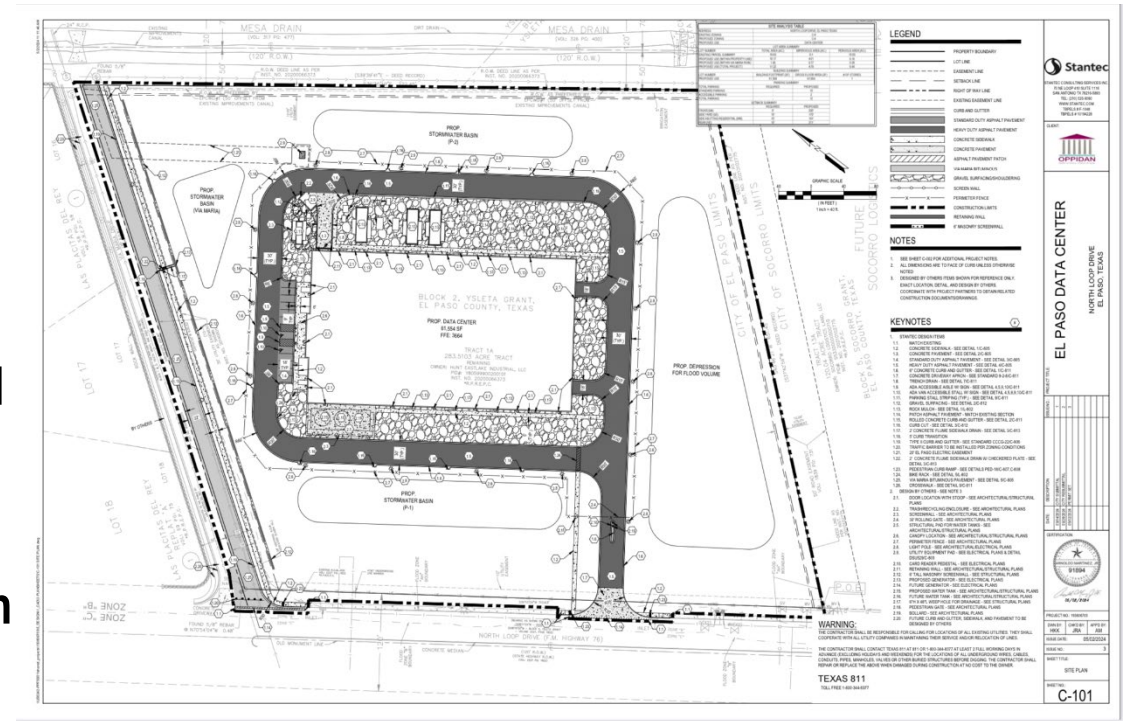
Project Location

- North Loop at Via Maria
- Along the border of El Paso and Socorro
- 10.5 Acres
- Zoned C-4/C
(Commercial/Conditions)
- Detailed Site Plan has been approved



Project Description

- **Developer / Tenant project**
 - **Developer** to construct a 60,000 SF data center
 - **Tenant** to install servers, etc.
 - Proposed 5-phased project totaling **\$300M** over first 10 years
- **Phases**
 - Phase 1 - building construction with a portion configured for tenant who will supply technology - **\$60M**
 - Phases 2-5 - each include additional building improvements as well as additional servers - **\$35M each**
- **Equipment Refresh** - **\$20M/Refresh** (Beginning in Year 6 and ongoing)



About the Developer:



- Headquarters: Minnesota
- Offices in CA and NC
- Developed 590 projects
- Data Center Campuses:
 - **18 worldwide**
 - 4 more planned in the US

Project Proposal: Initial Phase

Minimum Investment

- **\$60M** capital investment*
 - \$40M in construction
 - \$20M in equipment
 - Construct **60K** square foot building



Property Tax Implications

- Currently parcel valued at **\$1.4M** generating a total of **\$40K** per year*
- Estimated value at opening **\$42M** generating a total of **\$947K** per year*

Project Proposal: Phases 2-5

Minimum Investment

- **\$35M** capital investment each phase
 - \$15M in construction
 - \$20M in equipment
 - Improvements to existing **90K** square foot building



Property Tax Implication

- Each phase expected to add additional **\$28M** to the parcel's estimated value generating another **\$1.5M** per year

Over years 2-5, each phase represents a **\$35 million capital investment or a total of \$140M.**

Project Proposal:

Expected Capital Investment Years 1-10

Phase	1	2	3	4	5	Refresh	→			
Year	1	2	3	4	5	6	7	8	9	10
Construction (Developer)	\$40M	\$15M	\$15M	\$15M	\$15M					
Equipment (Tenant)	\$20M	\$20M	\$20M	\$20M	\$20M	\$20M	\$20M	\$20M	\$20M	\$20M
Total	\$60M	\$35M	\$35M	\$35M	\$35M	\$20M	\$20M	\$20M	\$20M	\$20M

Years 1-10, represent a **\$300 million capital investment.**

Key Deal Points: Incentive Proposal

Incentives are Only for the Developer and Only for the Initial Phase of the Project



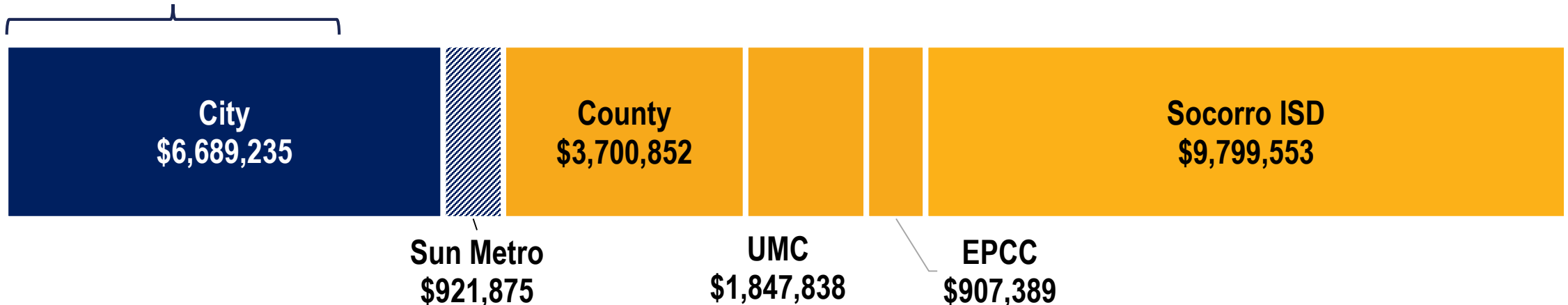
Total City Incentive = \$1.52M
(3.8% of total on an estimated \$40M investment)

Project Impact Phases 1-5: Community Tax Benefit

Net New Revenue (\$M) Over 10-Year Incentive Period

\$5.2M new revenue to the City

(not including \$1.4M in EPE Franchise Fees)



Tax Benefit after Incentives Over 10-Year Term = \$23.9M

Recommendation

- Incentivize **only** the developer
- Incentivize only Phase 1 for 10 years @ 70%
 - Developer Investment \$40,000,000 – property tax rebate \$1,222,012
 - Total – rebate \$1,522,012

Project Impact:

Benefits and Opportunities



- Long-term investment up to **\$300M** in the 5-phased plan
- Diversifies El Paso's tax base with significant **capital investment**
- Prioritizes **development within City limits**

MISSION



Deliver exceptional services to support a high quality of life and place for our community.

VISION



Develop a vibrant regional economy, safe and beautiful neighborhoods and exceptional recreational, cultural and educational opportunities powered by a high performing government.



VALUES

Integrity, **R**espect, **E**xcellence,
Accountability, **P**eople