

**CITY OF EL PASO, TEXAS
AGENDA ITEM
DEPARTMENT HEAD'S SUMMARY FORM**

DEPARTMENT:

AGENDA DATE:

PUBLIC HEARING DATE:

CONTACT PERSON NAME: _____ **PHONE NUMBER:** _____

2nd CONTACT PERSON NAME: _____ **PHONE NUMBER:** _____

DISTRICT(S) AFFECTED:

STRATEGIC GOAL:

SUBGOAL:

SUBJECT:

BACKGROUND / DISCUSSION:

COMMUNITY AND STAKEHOLDER OUTREACH:

PRIOR COUNCIL ACTION:

AMOUNT AND SOURCE OF FUNDING:

REPORTING OF CONTRIBUTION OR DONATION TO CITY COUNCIL:

NAME	AMOUNT (\$)

*****REQUIRED AUTHORIZATION*****

DEPARTMENT HEAD: _____



(If Department Head Summary Form is initiated by Purchasing, client department should sign also)

RESOLUTION

WHEREAS, the City of El Paso, Texas (“City”), a Texas home-rule municipal corporation, and the Town of Van Horn, Texas (“Town”), a Texas municipal corporation, are local governments as defined in Chapter 791 of the Texas Government Code, and have the authority to enter into this Agreement, and have each entered into this Agreement in the appropriate manner prescribed by law; and

WHEREAS, the City approved the Texas Economic Development Incentive Program (“TED Program”) Policy and Guidelines on January 19, 2021; and

WHEREAS, the purpose of the TED Program is to promote economic development within El Paso Electric’s (“EPE”) Texas Service Area through various programs, including Infrastructure Development Assistance and Quality Jobs and Investment Assistance; and

WHEREAS, the Infrastructure Development Assistance Program provides financial assistance for public infrastructure improvements benefitting one or more companies committed to creating net-new jobs and/or making new capital investments within EPE’s Texas Service Area; and

WHEREAS, Town of Van Horn, Texas (“Town”) applied under the TED Program for financial assistance to construct its *Third Water Pressure Zone Project* (“Project”), including a 100,000-gallon elevated water storage tank, to address longstanding water capacity constraints that currently limit commercial, residential, and hospitality development

WHEREAS, the Project directly aligns with the objectives and eligibility criteria of the TED Program, including: (1) addressing essential public infrastructure needs; (2) catalyzing significant private investment estimated at \$25 million; (3) supporting 74 permanent jobs and over 70 temporary construction jobs; (4) benefiting target industries such as tourism and defense/aerospace; and (5) promoting economic growth within an underserved community; and

WHEREAS, the City has reviewed the Town’s TED Program application and determined that the Project provides a net positive economic impact to EPE’s Texas Service Area, demonstrates a financial need for assistance under one of the TED Program categories, and meets all statutory and policy requirements for TED Program participation; and

WHEREAS, the City agrees to provide financial incentives to the Town in the form a grant totaling \$600,000 (“Grant Funds”) from the TED Fund in accordance with the TED Program guidelines for the Project of the Interlocal Agreement for Texas Economic Development Funds with the Town.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO:

THAT, the above recitals are accepted as true and correct; and

THAT, the City Council finds that the *Third Water Pressure Zone Project* meets the requirements of the TED Program and provides a sufficient net positive impact to EPE's Texas Service Area; and

THAT, the City agrees to provide Grant Funds to the Company totaling \$600,000 from the TED Program Fund for the *Third Water Pressure Zone Project*; and

THAT, the Mayor be authorized to execute an Interlocal Agreement, for good and valuable consideration, by and between the City of El Paso and the Town of Van Horn, Texas for the provision of Grant Funds from the Texas Economic Development Fund in connection with the *Third Water Pressure Zone Project*; and

THAT, the Mayor is authorized to execute appropriate amendments to this Interlocal Agreement administratively; upon review by the City Attorney; and

THAT, the City Manager, or designee, be authorized to execute any budget transfers and associated agreements in order to effectuate the intent of this Resolution.

(Signatures begin on the following page)

PASSED AND APPROVED this _____ day of _____ 2026.

THE CITY OF EL PASO:

Renard U. Johnson
Mayor

ATTEST:

Laura D. Prine
City Clerk

APPROVED AS TO FORM:



Oscar Gomez
Assistant City Attorney

APPROVED AS TO CONTENT:



Karina Brasgalla, Director
Economic & International Development

This Interlocal Agreement (“Agreement”) is entered into by and between the **City of El Paso, Texas (“City”)**, a Texas home-rule municipal corporation, and the **Town of Van Horn, Texas (“Town”)**, a Texas municipal corporation, by and through their duly authorized officials, pursuant to the Interlocal Cooperation Act, Article 79.001 *et seq.*, Texas Government Code.

RECITALS

WHEREAS, the City and the Town are local governments as defined in Chapter 791 of the Texas Government Code, and have the authority to enter into this agreement, and have each entered into this agreement in the appropriate manner prescribed by law; and

WHEREAS, on July 29, 2020, El Paso Electric Company (“EPE”), the region’s sole electric utility provider, was acquired by Sun Jupiter Holdings LLC, resulting in commitments by EPE’s new ownership to ensure continued investment in the economic well-being of communities within EPE’s Texas Service Area; and

WHEREAS, as part of the negotiated commitments tied to the acquisition, the City secured the establishment of the Texas Economic Development Fund (“TED Fund”)—an \$80 million fund contributed over 15 years exclusively for the purpose of promoting economic development within EPE’s Texas Service Area; and

WHEREAS, on January 19, 2021, the City approved the Texas Economic Development Program Policy and Guidelines (“TED Program”) to administer the TED Fund, defining eligible project types—including infrastructure projects—and establishing criteria for project review, approval, and oversight; and

WHEREAS, the TED Program specifically supports Infrastructure Development Assistance, including critical public water improvements that enable economic development, job creation, private investment, and long-term community benefits; and

WHEREAS, the Town applied under the TED Program for financial assistance to construct its *Third Water Pressure Zone* project (“Project”), including a 100,000-gallon elevated water storage tank, to address longstanding water capacity constraints that currently limit commercial, residential, and hospitality development; and

WHEREAS, the Project directly aligns with the objectives and eligibility criteria of the TED Program, including: (1) addressing essential public infrastructure needs; (2) catalyzing significant private investment estimated at \$25 million; (3) supporting 74 permanent jobs and over 70 temporary construction jobs; (4) benefiting target industries such as tourism and defense/aerospace; and (5) promoting economic growth within an underserved community; and

WHEREAS, the City has reviewed the Town’s TED Program application and determined that the Project provides a net positive economic impact to EPE’s Texas Service Area, demonstrates a financial need for assistance under one of the TED Program categories, and meets all statutory and policy requirements for TED Program participation; and

WHEREAS, the City agrees to provide financial incentives to the Town in the form a grant totaling \$600,000 (“Grant Funds”) from the TED Fund in accordance with the TED Program guidelines for the Project as detailed in *Exhibit A* of this Agreement.

NOW THEREFORE, in consideration of the mutual covenants and benefits described herein, the parties agree as follows:

I. PURPOSE, TED PROGRAM BACKGROUND, AND ALIGNMENT.

This Agreement formalizes the City’s commitment to provide a grant of \$600,000 in TED Funds to the Town, to support the construction of the Third Water Pressure Zone Project.

A. Background on the TED Program

The TED Program was established as part of the City’s negotiations during the 2020 acquisition of EPE by Sun Jupiter Holdings LLC, a subsidiary of the Infrastructure Investments Fund (“IIF”). Recognizing EPE’s critical role in the region—as a major employer, corporate contributor, and provider of essential electric service—the City secured new commitments to ensure long-term community benefits, economic resilience, and continued investment across the Texas Service Area.

One such commitment was the creation of the TED Fund, an \$80 million fund financed by IIF over 15 years and exclusively administered by the City. The TED Fund supports economic development projects through grants and loans that:

- Promote regional economic growth;
- Address strategic infrastructure needs;
- Catalyze private investment;
- Support job creation and quality employment opportunities; and
- Strengthen competitiveness within EPE’s Texas Service Area.

The City formally approved the TED Program Policy and Guidelines on January 19, 2021, setting forth program purposes, eligibility criteria, fund administration requirements, and project review standards.

B. Program Purpose and Categories

The TED Program is structured to provide support through two major categories:

1. **Infrastructure Development Assistance** – Funding for public infrastructure improvements such as water, sewer, road, port, and airport upgrades necessary for new or expanding employers.

2. **Quality Jobs and Investment Assistance** – Funding to support major job creation projects, capital investments, or expansions of high-impact companies.

The Town of Van Horn's project aligns with the Infrastructure Development Assistance category.

C. Alignment of the Van Horn Project with TED Policy

The Project satisfies multiple eligibility and priority criteria under the TED Program:

1. Needs-Based Eligibility

The Town's Water Moratorium currently restricts commercial, residential, and hospitality development. Without the Third Water Pressure Zone expansion, new investment cannot proceed. The TED Program explicitly requires that projects demonstrate a “but-for” need for financial assistance under one of the categories listed under the TED Program—this Project meets that requirement.

2. Geographic Eligibility

The Town of Van Horn lies fully within the El Paso Electric Texas Service Area, meeting all geographic requirements.

3. Infrastructure Development Priority

The Project involves public water system improvements, one of the core eligible infrastructure categories under Section V of the TED Program.

4. Job Creation and Economic Impact

The TED Program requires demonstration of meaningful economic development outcomes. The Project supports:

- 74 new permanent hospitality jobs;
- 70 plus temporary construction jobs;
- Approximately \$25 million in private investment; and
- Continued support for 225 existing regional jobs at Blue Origin and associated industries.

5. Support for Target Industries

The TED Program gives *special consideration* to target industries including tourism and defense/aerospace. The Project directly impacts both:

- Tourism growth through expanded hospitality capacity; and
- Continued support for aerospace activity in Culberson County.

6. Local Match Requirement

TED Infrastructure Development Assistance requires at least 100% local match for projects located outside City limits. The Town's Project is located outside the City limits and therefore the Town must provide at least 100% local match. The Town's investment and external funding sources satisfy this requirement.

II. CITY OBLIGATIONS (INCLUDING TED PROGRAM REQUIREMENTS)

The City agrees to:

1. Provide a grant totaling \$600,000 in TED Funds for engineering project costs and/or eligible construction expenses associated with the Third Water Pressure Zone project, in accordance with the approved TED Application and Program requirements.
2. Review and approve reimbursement requests in accordance with the TED Program upon receiving:
 - o Itemized invoices;
 - o Documentation of expenditures;
 - o Progress reporting as required by Section E of the TED Application.
3. Provide written notice to the Town regarding audit findings, deficiencies, or required corrective actions.

III. TOWN OBLIGATIONS (INCLUDING TED APPLICATION REQUIREMENTS)

The Town agrees to:

1. Use all TED funds solely for the Third Water Pressure Zone Project, including:
 - o Construction of the 100,000-gallon elevated water storage tank;
 - o Associated system improvements and site work; and
 - o Engineering oversight.
2. Secure non-City matching funds equal to 100% of the TED Program assistance, \$600,000, as required for Infrastructure Development Assistance projects located outside City limits and documentation verifying the source and commitment of such matching funds.
3. Abide by and follow the timeline as submitted to the TED Program:
 - o Expected Completion Date: December 31, 2027
4. Maintain documentation demonstrating compliance with TED Program minimum job creation and investment thresholds, including evidence of:
 - o Creation of at least fifty (50) net-new jobs, inclusive of temporary construction and permanent employment, consistent with TED Program minimum requirements;
 - o A minimum total project investment of at least \$5,000,000, as required for eligible infrastructure projects.
5. Ensure Project compliance with all TED requirements including:
 - o Addressing essential water infrastructure deficiencies;
 - o Providing capacity for new commercial, residential, and hospitality development; and

- Supporting emergency services, new housing, and tourism expansion.
- 6. Ensure that Project complies with all applicable federal, state, and local law.

IV. INITIAL TERM AND RENEWAL

A. Term and Automatic Renewal. This effective date of this Agreement is the date this Interlocal Agreement is approved by the El Paso City Council (“Effective Date”). The Town’s responsibility under this Agreement will commence on the Effective Date (“Commencement Date”). Thereafter, this Agreement shall be in effect until the Project is completed, all funds are disbursed, and all obligations are satisfied, unless terminated by either party in writing signed by duly authorized representatives of each of the parties in accordance with the same provisions set in this Agreement.

V. TERMINATION

A. Termination for Convenience. The City may, at its sole discretion, terminate this Agreement for convenience upon at least fifteen (15) calendar days’ prior written notice to the Town.

B. Termination by Either Party for Cause. Either party may terminate this Agreement if one party fails to fulfill the obligations set out in this Agreement. Before terminating this Agreement pursuant to this provision, the terminating party will provide written notice of intent to terminate enumerating the failures for which the termination is being sought and provide at least thirty (30) calendar days to the non-terminating party to cure such failure.

C. Non-Appropriation of Funds. Resources for implementation of this Agreement may come from either party, depending upon budgetary availability. Neither party is obligated to expend any resources in connection with this Agreement unless specifically stated otherwise in the Agreement. No implementation of any portion of the Agreement may be initiated prior to the written assurance of such budgetary availability to the other party hereto. To the extent any external funding is required by a party in order to implement this Agreement and funding for such purposes is not appropriated to that party or is not otherwise available to the corresponding party, said party shall have no further financial obligations upon such determination. Should either party not have funding to carry out any obligations of a particular effort conducted under this Agreement, it shall immediately notify the other party of such fact and of such portions of the Agreement that may be deemed terminated or modified due to lack of funding.

VI. GOVERNMENTAL FUNCTION AND IMMUNITY

A. Governmental Function. The City and Town expressly agree that, in all things relating to this Interlocal Agreement, the parties enter into this Interlocal Agreement for the purpose of performing governmental functions and are performing governmental functions, as defined by the Texas Tort Claims Act. The parties further expressly agree that every act or omission of each party, which in any way pertains to or arises out of this Agreement, falls within the definition of governmental function.

B. Immunity. The City and Town reserve, and do not waive, their respective rights of governmental and/or sovereign immunity and similar rights and do not waive their rights under the Texas Tort Claims Act. The parties expressly agree that neither party waives, nor shall be deemed hereby to waive, any immunity or defense that would otherwise be available to it against claims arising in the exercise of its powers or functions or pursuant to the Texas Tort Claims Act or other applicable statutes, laws, rules, or regulations.

VII. RISK ALLOCATION – LIMITATION OF LIABILITY

A. Exclusion of Incidental and Consequential Damages. Independent of, severable from, and to be enforced independently of any other enforceable or unenforceable provision of this Agreement, neither party shall be liable to the other party (nor to any person claiming rights derived from such party's rights) for incidental, consequential, special, punitive, or exemplary damages of any kind - including lost profits, loss of business, and further including, mental anguish, emotional distress and attorney's fees- as a result of breach of any term of this Agreement, regardless of whether the party was advised, had other reason to know, or in fact knew of the possibility thereof, except as expressly provided herein. Neither party hereto shall be liable to the other party or any third party by reason of any inaccuracy, incompleteness, or obsolescence of any information provided or maintained by the other party regardless of whether the party receiving said information from the other party was advised, had other reason to know, or in fact knew thereof.

B. Intentional Risk Allocation. The City and Town each acknowledge that the provisions of this Agreement were negotiated to reflect an informed, voluntary allocation between them of all risks (both known and unknown) associated with the transactions associated with this Agreement. The disclaimers and limitations in this Agreement are intended to limit the circumstances of liability. The remedy limitations, and the limitations of liability, are separately intended to limit the forms of relief available to the parties.

C. No Indemnification. The City and Town expressly agree that, except as provided herein, neither Party shall have the right to seek indemnification or contribution from the other Party for any losses, costs, expenses, or damages directly or indirectly arising, in whole or part, from this Agreement. Each party must handle any claims resulting from their actions in this Agreement. The parties agree that each will be responsible for the acts or omissions of its respective representatives.

D. Fines and Penalties. Each party shall be solely responsible for fiscal penalties, fines or any other sanctions occasioned as a result of a finding that violations of any applicable local, state or federal regulations, codes or laws occurred as a result of that parties actions, except as may be specifically provided by law.

VIII. GENERAL PROVISIONS

A. Compliance with Laws. In the performance of their obligations under this Agreement, the parties shall comply with all applicable federal, state or local laws, ordinances and regulations and declarations.

B. Governing Law. For purposes of determining the law governing the same, this Agreement is entered into in the city and state of main operations of the Parties hereto, and shall be governed by the laws of the State of Texas. Venue shall be in El Paso County, Texas.

C. Notices. The parties will send all notices required by this Agreement, in writing, to the other entity by certified mail, return receipt requested at the following addresses:

To the City of El Paso:	City of El Paso Office of the City Manager P.O. Box 1890 El Paso, TX 79950-1890
With copy to:	City of El Paso Director, Karina Brasgalla Economic & International Development P.O. Box 1890 El Paso, TX 79950-1890
Agency Name:	Town of Van Horn 1801 W. Broadway Street Van Horn, TX 79855 Attn. O ctm!Ecdg wgn

Changes may be made to the above addresses and addressees through timely written notice provided to the other party.

D. Privileges and Immunities. All privileges and immunities from liability, exemptions from laws, ordinances and rules, pension, relief, disability, worker's compensation, and other benefits which apply to the activities of officers, agents, or employees of the City and the Town when performing a function shall apply to such officers, agents, Personnel or employees to the same extent while engaged in the performance of any of their functions and duties under the terms and provisions of this Agreement.

E. Current Revenues. Pursuant to Section 791.011(d) (3), Texas Government Code, each party paying for the performance of governmental functions or services will make those payments from current revenues available to the paying party.

F. No Waiver. The failure of either party at any time to require performance by the other party of any provision of this Agreement shall in no way affect the right of such party to require performance of that provision. Any waiver by either party of any breach of any provision of this Agreement shall not be construed as a waiver of any continuing or succeeding breach of such provision, a waiver of the provision itself, or a waiver of any right under this Agreement.

G. Amendment; Assignability. This Agreement and the obligations hereunder shall not be amended, assigned, transferred or encumbered, in any manner without the written consent of the other party.

H. Severability. All agreements and covenants contained in this Agreement are severable. Should any term or provision of this Agreement be declared illegal, invalid or unenforceable by a court of competent jurisdiction, the remainder of this Agreement will not be affected; and in lieu of each provision which is illegal, invalid or unenforceable, there will be added as part of this Agreement, a provision which preserves the intention of the unenforceable provision, but which complies with the law.

I. Section Headings. The paragraph or section headings contained in this Agreement are for reference purposes only and shall not in any way control the meaning or interpretation of this Agreement.

J. Representation of Counsel; Mutual Negotiation. Each party has had the opportunity to be represented by counsel of its choice in negotiating this Agreement. This Agreement shall therefore be deemed to have been negotiated and prepared at the joint request, direction, and construction of the parties, at arms' length, with the advice and participation of counsel, and will be interpreted in accordance with its terms without favor to any party.

K. Independent Contractor Relationship. This Agreement does not create an employee-employer relationship between parties. As such, the City is not subject to the liabilities or obligations the Town obtains under the performance of this Agreement.

L. Auditing Records for the Specific Project. Subject to applicable law and limitations, the parties will allow the reasonable inspection and copying of all records pertaining to the obligations arising from this Agreement.

M. Force Majeure. There is no breach of contract should either party's obligations within this Agreement be delayed due to an act of God, outbreak of hostilities, riot, civil disturbance, acts of terrorism, the act of any government or authority, fire, explosion, flood, theft, malicious damage, strike, lockout, or any cause or circumstances whatsoever beyond either party's reasonable control. The delayed party must resume performing its obligations in this Agreement after the reason for the delay is resolved, by mutual agreement of the parties.

N. Third-Party Beneficiaries. There are no third-party beneficiaries to this Agreement.

O. Provisions Surviving This Agreement. Representations, releases, warranties covenants, indemnities, and confidentiality survive past the execution, performance, and termination of this Agreement.

P. Representations and Warranties. The persons executing this Agreement on behalf of each of the parties warrant they have sufficient authority to sign on behalf of their respective parties.

Q. Entire Agreement. This Agreement constitutes the entire agreement between the parties.

(Signatures follow on next page)

IN WITNESS WHEREOF, this Agreement has been executed by the parties named hereinabove as of the dates established below.

CITY OF EL PASO:

Renard U. Johnson
Mayor

ATTEST:

Laura D. Prine
City Clerk

APPROVED AS TO FORM:



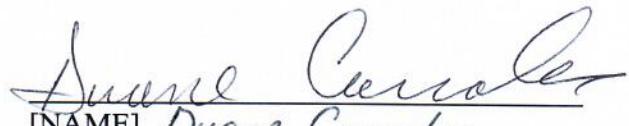
Oscar Gomez
Assistant City Attorney

APPROVED AS TO CONTENT:



Karina Brasgalla, Director
Economic & International Development Dept.

TOWN OF VAN HORN:



Duane Corrales
[NAME] Duane Corrales
[TITLE] Town of Van Horn Mayor