

**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)

# DISCLOSURE OF CAMPAIGN CONTRIBUTIONS AND DONATIONS FORM

In compliance with [Title 2, Chapter 2.92, Section 2.92.080](#)

## Introduction:

Individuals or entities benefiting by a City Council Agenda item must disclose contributions or donations made to current members of Council under the City's Ethics Code. The information on this form is being captured for transparency purposes and will be noted on the relevant City Council Agenda. **Contributions and Donations do NOT disqualify an applicant from doing business with the City.**

## Definitions:

- "Contribution" A direct or indirect transfer of money, goods, services, or any other thing of value and includes an agreement made or other obligation incurred, whether legally enforceable or not, to make a transfer. The term includes a loan or extension of credit, other than those expressly excluded by the Texas Election Code, and a guarantee of a loan or extension of credit.
- "Contributor" A person making a contribution, including the contributor's spouse.
- "Donation" Cash and the value of any in-kind contributions or gifts to the council member for use by their office or in their district.
- "Donor" An individual and spouse, a business entity, or an individual who owns a business entity in whole or in part, or is operated by the individual, that is the subject of a council agenda item.
- "Benefiting" Shall include but not be limited to any contract, bid award, franchise, permit, zoning or rezoning, and other award that council will vote on.

**Instructions:** Please read and complete this form carefully. If you have made campaign contributions or donations to any current City Council member(s) totaling an aggregate of \$500 or more during their campaign(s) or term(s) of City office, you are required to disclose the information as specified below. If you have not made such contributions or donations past the limit specified in the ordinance, you are required to affirm your compliance with the municipal code. Please submit this completed form along with your application or proposal to the relevant city department. Failure to disclose campaign contributions or donations as required by the ordinance may result in a violation of the City's Ethics Code requirements, and sanctions under the Ethics Code 2.92.

## Contributor / Donor Information:

Full Name

Gabriel Bonilla

Business Name

Paul Roso Properties LLC

Agenda Item Type

Chapter 380 - Regular City Council Meeting

Relevant Department

Economic & International Development

**Disclosure Affirmation:** Please check the appropriate box below to indicate whether you have made campaign contributions or donations totaling an aggregate of \$500 or more to any City Council member(s) during their campaign(s) or term(s) of City office specified in Section 2.92.080 of the El Paso Municipal Code.



I have **NOT** made campaign contributions or donations totaling an aggregate of \$500 or more to any City Council member(s) during their campaign(s) or term(s) of City office, as specified in Section 2.92.080 of the El Paso Municipal Code.

OR



I have made campaign contributions or donations totaling an aggregate of \$500 or more to the following City Council member(s) during their campaign(s) or term(s) of City office:

OFFICE	CURRENT COUNCIL MEMBER NAME	AMOUNT (\$)
Mayor		
District 1		
District 2		
District 3		
District 4		
District 5		
District 6		
District 7		
District 8		

**Declaration:** I hereby affirm that the information provided in this disclosure form is true and accurate to the best of my knowledge. I understand that this disclosure is required by Title 2, Chapter 2.92 of the El Paso Municipal Code and is subject to verification by the city authorities. Further, **I understand that upon submission of this form, I must disclose any subsequent contributions or donations prior to the relevant council meeting date.**

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

*Dec 30<sup>th</sup>, 2025*

## RESOLUTION

### BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO:

That the City Manager be authorized to sign a Chapter 380 Economic Development Program Agreement (“Agreement”) by and between **CITY OF EL PASO** (“City”) and **PADEL PASO PROPERTIES, LLC**, (“Applicant”) to further the municipal purpose of promoting economic development, in support of the construction of a development located on the real property with the following *Property IDs 732524 and 732525, El Paso, Texas, 79912* and more fully described in *Exhibit A* and *A-1* of the Agreement. The project includes a paddle court entertainment district and a full-service restaurant. The Agreement requires the Applicant to make a minimum investment of \$2,310,000. Over the term of the Agreement, the City shall provide economic incentives not to exceed \$45,425 in the form of a Property Tax Rebate; a Development Fee Rebate; and a Construction Materials Sales Tax Rebate.

**APPROVED** this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.


### 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 & Int'l Development

STATE OF TEXAS

§

**CHAPTER 380 ECONOMIC DEVELOPMENT**

COUNTY OF EL PASO

§

**PROGRAM AGREEMENT**

This Chapter 380 Economic Development Program Agreement (“Agreement”) is made this \_\_\_\_ day of \_\_\_\_\_, 20\_\_ (“**Effective Date**”) between the **CITY OF EL PASO, TEXAS** a Texas home-rule municipal corporation, (the “**City**”) and **PADEL PASO PROPERTIES, LLC**, a Texas **limited liability company** (the “**Applicant**”), for the purposes and considerations stated below. The City and Applicant may hereinafter be collectively referred to as the *Parties* and individually as the *Party*.

**WHEREAS**, Article 3, Section 52A, Texas Constitution, authorizes the Legislature to enable cities to implement programs for the public purposes of economic development under which cities and counties may provide financial incentives for the purposes of stimulating local economic development and business and commercial activity in the City; and

**WHEREAS**, Section 380.001, Texas Local Government Code (“Chapter 380”), authorizes the City Council of the City to establish and provide for the administration of one or more programs in order to stimulate business and commercial activity in the City including, but not limited to, programs for (i) making loans and grants of public money to promote local economic development, (ii) accepting contributions, gifts and other resources to develop and administer a program; and

**WHEREAS**, the City has established an economic development program and, pursuant to Chapter 380, is authorized to provide loans or grants of public funds as a governmental function to promote economic development, including the creation and retention of jobs, stimulating of business and commercial activity, and expansion of the tax base within the City of El Paso and surrounding region; and

**WHEREAS**, the City wishes to provide incentives to the Applicant, pursuant to Chapter 380, for the construction of a development located on the real property with the following ***Property IDs 732524 and 732525, El Paso, Texas, 79912***, more fully described below and in ***Exhibit A and A-1*** attached hereto (the “**Development**”), and the Applicant wishes to receive the incentives in exchange for compliance with the obligations set forth herein; and

**WHEREAS**, the City determines that a grant of funds to Applicant will serve the municipal purpose of promoting local economic development and enhancing business and commercial activity within the City and region; and

**WHEREAS**, the Development will likely encourage increased economic development within the City and region, provide increases in the City’s property tax revenues, and improve the City’s ability to provide for the health, safety and welfare of the general public within and around of El Paso, Texas; and

**WHEREAS**, the City finds that this Agreement embodies an eligible *program* and promotes economic development within and around the El Paso, Texas, and, as such, meets the

requirements under Chapter 380 of the Texas Local Government Code and further is in the best interests of the City.

**NOW, THEREFORE**, for and in consideration of the above recitals and the terms and conditions set forth below, the mutual benefits and promises contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

## **SECTION 1. DEFINITIONS.**

The following words shall have the following meanings when used in this Agreement.

- A. **Ad Valorem Taxes.** The term *Ad Valorem Taxes* means with respect to any property tax year, all ad valorem property taxes collected by the City on the Eligible Property for that tax year. For purposes of this Agreement, Ad Valorem Taxes collected by the City shall not include penalties, interest, or attorney's fees.
- B. **Affiliate.** The term *Affiliate* means any person or entity identified in this Agreement means any other person or entity which, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under direct or indirect common control with such specified person or entity. For purposes of this definition, "control" when used with respect to any person or entity in conjunction with the term "affiliate" means (i) the ownership, directly or indirectly, of fifty percent (50%) or more of the voting securities of such person or entity, or (ii) the right to direct the management or operations of such person or entity, directly or indirectly, whether through the ownership (directly or indirectly) of securities, by contract or otherwise, and the terms "controlling" and "controlled" have meanings correlative to the foregoing "control as herein defined.
- C. **Agreement.** The term *Agreement* means this Chapter 380 Economic Development Program Agreement, together with all exhibits attached and incorporated herein by reference.
- D. **Applicant.** The term *Applicant* means ***Padel Paso Properties, LLC***
- E. **Base Year Value.** The term *Base Year Value* shall mean the value of the real and personal property on the tax rolls as of January 1st of the year of the Effective Date of this Agreement. The Base Year Value shall not be interpreted to be equivalent or determinative for appraisal purposes or used in any way to determine market value is executed. For the purposes of this agreement, the Base Year Value is \$370,016.
- F. **Construction Materials Sales Tax Rebate.** The term *Construction Materials Sales Tax Rebate* shall mean a one-time 100% rebate of the City's 1% Sales and Use Tax from receipts for materials and labor of taxable items used in the construction of the Development. The determination of whether a particular receipt or transaction qualifies for Sales and Use Tax eligibility shall be based on the criteria established under Chapter

321 of the Texas Tax Code. All receipts or transactions submitted for rebate consideration must comply with these criteria and shall be collectively evaluated by the City for rebate eligibility. The Construction Materials Sales Rebate shall not exceed \$7,500.

- G. **Development.** The term *Development* means a paddle court entertainment district on the west side of El Paso to include eight courts plus a full-service restaurant at ~~Choose an item.~~ the following **Property IDs 732524 and 732525, El Paso, Texas 79912** and as more fully described on ***Exhibit A and A-1***, which is attached and incorporated herein for all purposes.
- H. **Development and Building Fee Rebate.** The term *Development and Building Fee Rebate* means a one-time 100% rebate of certain development fees, the rebate shall not exceed \$10,000. The Development and Building Fee Rebate shall be limited to the lesser of: (i) the development and building fee costs associated with the construction of the Development or (ii) the Development and Building Fee Rebate Cap. Under no circumstances shall the City rebate reinspection and other building and inspection penalty fees associated with the development and construction of the Development.
- I. **Effective Date.** The term *Effective Date* means the date the El Paso City Council approves the Agreement.
- J. **Full-Time Employment.** The term *Full-Time Employment* means a job in El Paso that:
1. Is created and/or retained by the Applicant, where the employee is on active status and on the payroll of the Applicant on the last day of the reporting year;
  2. In which the employee must work an average of at least 35 hours per week or more, calculated by dividing the total hours worked by the number of weeks worked (Total Hours ÷ Weeks Worked ≥ 35); and
  3. Has the opportunity to participate in all the Applicant's employee benefits programs, including company-paid health insurance (employee must not be required to pay more than 50% of the health insurance premium) with such jobs being located at the Development, within the City of El Paso, Texas.
  4. These requirements are more completely described in ***Exhibit B***, which is attached hereto and incorporated herein for all purposes.
- K. **Grant.** The term Grant means each annual payment to the Applicant under the terms of this Agreement computed as the sum of the applicable rebates: (i) Construction Materials Sales Tax Rebate; (ii) Development and Building Fee Rebate; and (iii) Property Tax Rebate. For purposes of this Agreement, the aggregate Grant payments will not exceed \$45,425.
- L. **Grant Submittal Package.** The term *Grant Submittal Package* means the documentation



required to be supplied to City as a condition of receipt of any Grant, with such documentation more fully described in **Exhibit C**, which is attached hereto and incorporated herein for all purposes.

- M. **Landlord.** The word *Landlord* shall mean Applicant's landlord under the lease for the Development and any subsidiary of Applicant's landlord or any entity affiliated with Applicant's landlord.
- N. **Minimum Appraisal Value.** The term *Minimum Appraisal Value* means the valuation of the Real and Personal Property appraised by El Paso Central Appraisal District during and after the construction or renovation of the Development. For the purposes of this Agreement, the Minimum Appraisal Value is **\$1,525,016**. Under no circumstances shall the Minimum Appraisal Value be interpreted to be equivalent of or determinative for appraisal purposes or to be used in any way to determine market value.
- O. **Minimum Investment.** The term *Minimum Investment* means costs totaling at least \$2,310,000 that the Applicant incurs directly, contracts out to third parties, self-performs, or causes its Landlord to incur as Qualified Expenditures for the Development. *Qualified Expenditures* means those costs incurred by the Applicant in the acquisition, construction, or furnishing of the Development.
- P. **Municipal Purpose.** The term *Municipal Purpose* shall mean or otherwise include one or more of the following:
- (i) the funding of maintenance and operations expenditures of the City; and
  - (ii) the funding of debt service on lawfully incurred obligations of the City; and
  - (iii) the funding of any economic development grants or performance, incentive, or tax sharing agreements made in compliance with Chapter 380 of the Texas Local Government Code or other applicable law; or
  - (iv) any capital improvement project or other lawful municipal purpose authorized under Texas law that the City otherwise determines is necessary and appropriate.
- Q. **Personal Property Base Year Value.** The term Personal Property Base Year Value means the value of the non-inventory, personal property on the El Paso Central Appraisal District rolls as of January 1st of the year 2025. Under no circumstances shall the Personal Property Base Year Value be interpreted to be equivalent or determinative for appraisal purposes or to be utilized in any way to determine market value. For the purposes of this Agreement, this amount \$0. The City Manager shall have the authority to amend this subsection reflecting the value herein administratively once the City Manager receives the Property ID and its corresponding value in writing from the Applicant, and the value can be confirmed by the El Paso Central Appraisal District.

- R. **Program.** The term *Program* means the economic development program established in accordance with the Chapter 380 Economic Development Policy pursuant to the Act designed to promote local economic development and stimulate business and commercial activity within the City.
- S. **Project.** The term *Project* means Applicant's planned construction of substantial improvements to real property within the City.
- T. **Property Tax Rebate.** The term *Property Tax Rebate* means a rebate of the City's portion of the incremental ad valorem Real and Personal property tax revenue generated by the Development above the Base Year Value for the Development for the given tax year during the Grant Period and as described in *Exhibit D* attached hereto. The Grant Payments shall not exceed the lesser of (i) 50% of the total value of the City's portion of the incremental ad valorem property tax revenue generated by the Development above the Base Year Value for the Development for the given tax year during the Grant Period or (ii) the up to a *maximum amount* of \$27,925 (whichever comes first) during the Grant Period.
- U. **Qualified Expenditures.** The term *Qualified Expenditures* means the monetary expenditures paid or caused to be paid by Applicant after the Effective Date for material used in constructing or renovating the Development; and labor required for the construction or renovation of the Development.
- V. **Real Property Base Year Value.** The words *Real Property Base Year Value* mean the value of the real property on the El Paso Central Appraisal District rolls as of January 1st of the year in which this Agreement is executed with respect to the Development. However, under no circumstances shall the Real Property Base Year Value be interpreted to be equivalent or determinative for appraisal purposes or to be utilized in any way to determine market value. For the purpose of this Agreement this amount is \$370,016.

## SECTION 2. TERM AND GRANT PERIOD.

The term of this Agreement shall be the lesser of: (i) the lease term (including any renewals) relating to the Development to be located at the Development property; (ii) 7 years from the Effective Date of the Agreement; (iii) the full payment of the Grant by the City to the Applicant, as limited by the Agreement; (iv) termination of the Agreement as otherwise provided by said agreement; or (v) termination by mutual consent of the Parties in writing ("Term").

The Effective Date of the Agreement shall be the date upon which City Council approves the Agreement. However, the Applicant's eligibility for Grant payments shall be limited to 5 consecutive years (the "Grant Period") within the term of the Agreement. The Grant Period shall begin with the first year being the first tax year that begins after: (i) the issuance of the certificate of occupancy for the Development (triggered by the Grant Submittal Date); and (ii) the Applicant meets all Full-time Employment job requirements as described in *Exhibit B*.

## SECTION 3. OBLIGATIONS OF APPLICANT.

### DEVELOPMENT

1. The Applicant agrees to renovate, at its sole cost, the Project. Applicant must obtain the building permits for the Project within **TWELVE (12) months** from the Effective Date of this Agreement. ED Director may administratively extend this period.
2. Within **TWELVE (12) months** of the Effective Date of this Agreement, the Applicant shall submit documentation to the City to verify the qualifying expenses for improvements or new construction and Minimum Investment associated with the completion of the Project and a Certificate of Occupancy for the Development. ED Director may administratively extend this period.
3. The Applicant agrees that it shall make or cause to be made, at its sole cost and expense or the expense of third parties, Minimum Investment of **\$2,310,000** associated with this Project.
4. The Applicant agrees that the Project shall not include the demolition of buildings with a historic overlay that are deemed historic or contributing at the time of the execution of this agreement, unless specifically approved by El Paso City Council.
5. **Compliance with Tax Payment(s) Due.** Applicant or its Landlord shall pay by January 31 of each year all of the real and business personal ad valorem taxes due to for the previous tax year on the Development and any other property owned by the Applicant within the City.
6. **Minimum Appraised Value.** The Parties agree that the taxable value of the Development, after completion of all construction and improvements, will have an assessed land *Base Year Value* of \$370,016 for **Property IDs 732524 and 732525, El Paso, Texas 79912**. It is the intent of the Parties that the assessed value of the Development on the tax rolls shall have a *Minimum Appraised Value* of \$1,525,016 including the Base Year Value (cumulatively the “Minimum Value”) during the term of the Agreement and after the completion of the Development. Applicant and its Landlord shall have the right to contest the appraised value of the Development as provided by law, however, Applicant covenants and agrees that during the term of this Agreement, it shall not challenge or permit anyone else to take actions on its behalf to challenge any assessments by the El Paso Central Appraisal District to the extent such challenge would reduce the assessed value below the Minimum Value. Any such action will be deemed an Event of Default. The Minimum Appraised Value should in no way be interpreted to affect the values set by the El Paso Central Appraisal District for tax purposes. Upon the termination of this Agreement, Company agrees that neither this Agreement, not the values contained within, will be utilized to contest appraisal values or in the determination of the market value of the Development.

### A. EMPLOYMENT POSITIONS

1. Applicant agrees that it shall create, staff, and maintain at least 3 Full-Time Employment positions as described in **Exhibit B** and shall maintain the Full-Time

Employment positions for the Development through the entire Grant Period of the Agreement.

2. Applicant, during normal business hours, at its principal place of business in El Paso, shall allow the City or its agents reasonable access to Applicant's employment records and books, and other records that are related to the economic development agreement considerations and incentives described herein, to verify employment records and any other records related to the City's economic development considerations and incentives provided herein. In order to protect these records, the City shall maintain the confidentiality of such records in accordance with and subject to commercially reasonable practices and all applicable laws.

## **B. GRANT SUBMITTAL PACKAGE**

1. The Applicant shall annually submit one *Grant Submittal Package* which shall be in the form provided in Exhibit C, together with the requisite documentation. The Applicant shall submit to the City the initial Grant Submittal Package on **January 1, 2028**, or within 30 business days after this date, or unless otherwise agreed by the City and Applicant in writing that the Grant Submittal Package will occur at an agreed upon date after the initial due date. Thereafter, the Applicant's annual Grant Submittal Package must be submitted on or within 30 business days after **January 1st** of each year. A failure by the Company to timely submit a Grant Submittal Package in accordance with this paragraph may be considered as a waiver by the Company to receive a Grant payment for that Grant year. A failure by the Company to timely submit a Grant Submittal Package in accordance with this paragraph may be considered as a waiver by the Company to receive a Grant payment for that Grant year.
2. Concurrent with the submittal of a Grant Submittal Package, the Company will submit to the City documentation as may be reasonably necessary to verify the expenditure to date of the Minimum Investment, which has not otherwise been verified as part of a prior submittal. The City will provide to the Company a written explanation for any Minimum Investment that the City determines cannot be verified. The Applicant may submit additional documentation to the City in order to obtain verification.
3. The City's determination of the amount of the Grant payment due to the Applicant is final.

## **SECTION 4. OBLIGATIONS OF CITY.**

1. During the Term of this Agreement, and so long as an Event of Default has not occurred and Applicant is in compliance with the Agreement, the City agrees as follows:
  - A. The City agrees to provide a *Construction Materials Sales Tax Rebate* not to exceed \$7,500 in accordance with the terms and provisions of this Agreement.
  - B. The City agrees to provide a *Development and Building Fee Rebate* not to exceed \$10,000 in accordance with the terms and provisions of this Agreement.
  - C. The City agrees to provide a *Property Tax Rebate* not to exceed \$27,925 in accordance with the terms and provisions of this Agreement.

- D. The City will process any eligible Grant payment within *90 days* after receipt of the Applicant's Annual Grant Submittal Package.

## **SECTION 5. EVENTS OF DEFAULT.**

Each of the following shall constitute an Event of Default under this Agreement:

- A. **Failure to Comply.** Applicant's failure to comply with, or to perform any obligation or condition of this Agreement or in any related documents, or Applicant's failure to comply with or to perform any obligation or condition of any other agreement between the City and Applicant.
- B. **Failure to Maintain Development and Job Requirements.** Applicant's failure or refusal to operate the Development and maintain the Full-Time Employment requirements pursuant to this Agreement throughout its Term, and Applicant's failure or refusal to cure within 60 days ("Cure Period") after written notice ("Notice") from the City describing such failure, shall be deemed an event of default. However, if such failure cannot be cured by its nature within such 60 day period and the Applicant has commenced such cure within such 60 day period and continuously thereafter diligently prosecute the cure of such failure, such actions or omissions shall not be deemed an Event of Default. In the event this Agreement is terminated pursuant to this Section 5B, all Grant Payments previously provided by the City pursuant to this Agreement shall be recaptured and repaid by Applicant within 60 days from the date of such termination
- C. **False Statements.** In the event the Applicant provides any written warranty, representation or statement under this Agreement or any document(s) related hereto that is/are false or misleading in any material respect, either now or at the time made or furnished, and Applicant fails to cure same within 30 days ("Cure Period") after written notice ("Notice") from the City describing the violation shall be deemed an event of default. If such violation cannot be cured within such 30 day period in the exercise of all due diligence, and Applicant commences such cure within such 30 day period and continuously thereafter diligently prosecute the cure of such violation, such actions or omissions shall not be deemed an event of default. Further, if Applicant obtains actual knowledge that any previously provided warranty, representation or statement has become materially false or misleading after the time that it was made, and Applicant fails to provide written notice to the City of the false or misleading nature of such warranty, representation, or statement within 30 days after Applicant learns of its false or misleading nature, such action or omission shall be deemed an event of default.
- D. **Insolvency.** The dissolution or termination of Applicant's existence as a going business or concern, Applicant's insolvency, appointment of receiver for any part of Applicant's portion of company, any assignment of all or substantially all of the assets of Applicant for the benefit of creditors of Applicant, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Applicant shall all be deemed an Event of Default. However, in the case of involuntary proceedings, if such proceedings are discharged within 60 days after filing, no Event of Default shall be deemed to have occurred.

- E. **Construction of Development.** Applicant's failure to comply with its construction obligations set forth in this Agreement and Applicant's failure to cure same within 90 days ("Cure Period") after written notice ("Notice") from the City shall be deemed an Event of Default. If such failure cannot be cured within such 90 day period and Applicant fails or refuses to commence such cure within such 90 day period, except to the extent such failure is caused by any act or failure to act on the part of the City, such actions or omissions shall be deemed an Event of Default.
- F. **Property Taxes.** In the event Applicant allows any property taxes owed to the City to become delinquent and fails to timely and properly follow the legal procedures for protest and/or contest of such taxes and to cure such failure or post a satisfactory bond within 30 days ("Cure Period") after written notice ("Notice") thereof from the City and/or El Paso Central Appraisal District, such actions or omissions shall be deemed an Event of Default. Subject to the restrictions noted herein, Applicant shall have the right to contest the appraised value of the Development.
- G. **Other Defaults.** Failure of Applicant or City to comply with or to perform any other term, obligation, covenant or condition contained in this Agreement or in any related documents, and Applicant or City fails to cure such failure within 60 days ("Cure Period") after written notice ("Notice") from the other party describing such failure shall be deemed an Event of Default. If such failure cannot be cured within such 60 day period in the exercise of all due diligence, and Applicant or City commences such cure within such 60 day period and continuously thereafter diligently prosecute the cure of such failure, such act or omission shall not be deemed an event of default.
- H. **Failure to Cure.** If any Event of Default by Applicant or City shall occur, and after Applicant fails to cure same in accordance herewith, then this Agreement may be terminated by written notice from the City to Applicant and the City shall be entitled to recapture Grant payments; without any further action required of the City; and the City's obligations end at that time. If a default has not been cured within the time frame stated herein, the non-defaulting party shall have all rights and remedies under the law or in equity.
- I. **Liability.** In no event will either party be liable to the other party for any indirect, special, punitive, exemplary, incidental, or consequential damages. In no event shall the liability of either party exceed the value of Grant payments issued hereunder. This limitation will apply regardless of whether or not the other party has been advised of the possibility of such damages.

## **SECTION 6. RECAPTURE.**

Should the Applicant default under *Section 5* of this Agreement and provided that the Cure Period for such default has expired, all Grants previously provided by the City pursuant to this Agreement shall be recaptured and repaid by Applicant within 60 days from the date of such termination.

## **SECTION 7. TERMINATION OF AGREEMENT BY CITY WITHOUT DEFAULT.**

The City may terminate this Agreement for convenience and without the requirement of an Event of Default by Applicant, which shall become effective immediately if any state or federal statute, regulation, case law, or other law renders this Agreement ineffectual, impractical, or illegal,

including any case law holding that a Chapter 380 Economic Development Agreement, such as this Agreement, is an unconstitutional debt.

## **SECTION 8. GENERAL PROVISIONS.**

The following miscellaneous provisions are a part of this Agreement:

- A. **Amendments.** This Agreement constitutes the entire understanding and agreement of the Parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by both Parties.
- B. **Applicable Law and Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, and all obligations of the Parties created hereunder are performable in El Paso County, Texas. Venue for any action arising under this Agreement shall lie in the state district courts of El Paso County, Texas.
- C. **Assignment of Applicant's Rights.** Applicant understands and agrees that the City expressly prohibits Applicant from selling, transferring, assigning, or conveying in any way any rights to receive the Grant proceeds without the City's prior written consent. Any such attempt to sell, transfer, assign, or convey without the City's prior written consent is void and may result in the immediate termination of this Agreement and recapture of taxes rebated prior to the attempted transfer, with no ability for the Applicant to cure.
- D. **Applicant's Sale or Transfer of the Development.** Prior to any sale or other transfer of ownership rights in the Development, Applicant shall notify the City in writing of such sale or transfer within 30 business days of the Applicant's knowledge of effectiveness of such sale or transfer. This provision is a material term of this Agreement and the failure to notify the City of such sale or transfer within the applicable period shall constitute an Event of Default.
- E. **Binding Obligation.** This Agreement shall become a binding obligation on the signatories upon execution by all signatories hereto. City warrants and represents that the individual executing this Agreement on behalf of City has full authority to execute this Agreement and bind City to the same. The individual executing this Agreement on Applicant's behalf warrants and represents that he or she has full authority to execute this Agreement and bind Applicant to the same.
- F. **Completion of Development.** As consideration for the agreements of the City as contained herein, Applicant agrees that it will diligently and faithfully in a good and workmanlike manner pursue the completion of the Development and that the construction of same will be in accordance with all applicable federal, state, and local laws and regulations.
- G. **Compliance with the Law.** The Parties will comply with all applicable laws, administrative orders, and any rules or regulations relating to the obligations under this Agreement. If applicable, then the Applicant will procure all licenses and pay all fees or other charges as required to complete the Work under this agreement.

- H. **Confidentiality Obligations.** The confidentiality of such records employment records and any other records related to the City's economic development considerations and incentives provided herein will be maintained in accordance with and subject to all applicable laws, including the Public Information Act, Chapter 552, Texas Government Code. Specifically, the City will maintain the confidentiality of any proprietary information to the extent permitted by law and agrees that, as required by the Public Information Act, it will notify Applicant if a request relating to such proprietary information is received. Applicant represents that it understands that the Public Information Act excepts disclosure of trade secret and confidential commercial information and that it will need to assert the proprietary interest of Applicant as a basis for nondisclosure.
- I. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute one and the same document.
- J. **Employment of Undocumented Workers.** During the term of this Agreement, Applicant agrees not to knowingly employ any undocumented workers as defined in Texas Government Code Section 2264.001. If convicted of a violation under 8 U.S.C. Section 1324a(f), Applicant shall repay the amount of the Grant payments received by Applicant from the City as of the date of such violation not later than 120 days after the date Applicant is notified by City of a violation of this section, plus interest from the date the Grant payment(s) was paid to Applicant, at the rate of 7% per annum. The interest will accrue from the date the Grant payment(s) were paid to Applicant until the date the reimbursement payments are repaid to City. City may also recover court costs and reasonable attorney's fees incurred in an action to recover the Grant payment(s) subject to repayment under this section. Applicant is not liable for a violation by its subsidiary, affiliate, or franchisee, or by a person which whom Applicant contracts.
- K. **Execution of Agreement.** The El Paso City Council has authorized the City Manager to execute this Agreement on behalf of the City.
- L. **Filing.** The City shall promptly file this Agreement with the Texas State Comptroller in accordance with Section 380.004 of the Texas Local Government Code.
- M. **Governmental Function.** The Parties agree that the City is entering into this Agreement as a governmental entity performing a governmental function, implementing a government grant program intended to provide a public benefit.
- N. **Force Majeure.** It is expressly understood and agreed by the Parties to this Agreement that if the performance of any obligations hereunder is delayed beyond such party's reasonable control by reason of war, civil commotion, acts of God, severe weather, fire or other casualty, or court injunction, the party so obligated or permitted shall be excused from doing or performing the same during such period of delay, so that the time period applicable to such obligation or requirement shall be extended for a period of time equal to the period such party was reasonably delayed.
- O. **Notices.** All notices required to be given under this Agreement shall be given in writing and shall be effective when actually delivered or when deposited in the United States mail, first



class, postage prepaid, addressed to the party to whom the notice is to be given at the addresses shown below. Any party may change its address for notices under this Agreement by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, each party agrees to keep the other informed at all times of its current address. Applicant shall provide all required invoices and other required documentation to City electronically at the following address: **EDcompliance@elpasotexas.gov**.

**APPLICANT:** Padel Paso Properties, LLC  
1437 Franklin Dell  
El Paso, TX 79912

**CITY:** The City of El Paso  
Attn: City Manager  
P.O. Box 1890  
El Paso, Texas 79950-1890

**Copy To:** The City of El Paso  
Attn: Economic Development Department Director  
P.O. Box 1890  
El Paso, Texas 79950-1890

- P. **Ordinance Applicability.** The signatories hereto shall be subject to all ordinances of the City, whether now existing or in the future arising; provided however no ordinance shall reduce or diminish the contractual obligations contained herein. This Agreement shall confer no vested rights on the Development unless specifically enumerated herein.
- Q. **Severability.** In the event any provision of this Agreement shall be determined by any court of competent jurisdiction to be invalid or unenforceable, the Agreement shall, to the extent reasonably possible, remain in force as to the balance of its provisions as if such invalid provision were not a part hereof.
- R. **Termination or Expiration.** Upon termination or expiration of the Term of this Agreement, Applicant or its assigns agree that the Agreement, or the values contained herein will be used to contest appraisal values or in the determination of the market value of the Development; and the economic development incentives established in the Agreement between the Parties shall not be considered in valuating the property for tax purposes.
- S. **Third-Party Beneficiaries.** There are no third-party beneficiaries for this Agreement.

*(Signatures Begin on the Following Page)*

IN WITNESS WHEREOF, the parties have executed this Agreement on this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

**CITY OF EL PASO, TEXAS:**

\_\_\_\_\_  
Dionne Mack  
City Manager

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Oscar Gomez  
Assistant City Attorney

**APPROVED AS TO CONTENT:**

\_\_\_\_\_  
Karina Brasgalla, Director  
Economic and International Development

**ACKNOWLEDGMENT**

STATE OF TEXAS       §  
                                  §  
COUNTY OF EL PASO   §

This instrument was acknowledged before me on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_, by **Dionne Mack**, as **City Manager** of the **City of El Paso, Texas** (City).

\_\_\_\_\_  
Notary Public, State of Texas

My Commission Expires:

\_\_\_\_\_

*(Signatures Continue on the Following Page)*

By: \_\_\_\_\_  
Name: Gabriel Borunda  
Title: Owner

STATE OF Texas §  
COUNTY OF El Paso §

  
Notary Public, State of TEXAS

DECEMBER 22, 2027



**EXHIBIT A**

**[DEVELOPMENT]**

**Legal Description of the Real Property**

**Geographic ID:** P87199900400110

**Property ID:** 732525

**Legal Description:**

BLK 4 PLEXXAR SOUTH #4 NWLY PT OF 1 (112.52 FT ON ST-281.21 FT ON ELY-IRREG ON SLY-298.63 FT ON WLY) (29477.06 SQ FT)

**Geographic ID:** P87199900200380

**Property ID:** 732524

**Legal Description:**

2 PLEXXAR SOUTH #2 ELY PT OF 3 BEG 195.28 FT SE OF NE COR (298.63 FT ON ELY-149.60 FT ON SLY-262.17 FT ON WLY-114.02 FT ON NLY) (35993.63 SQ FT)

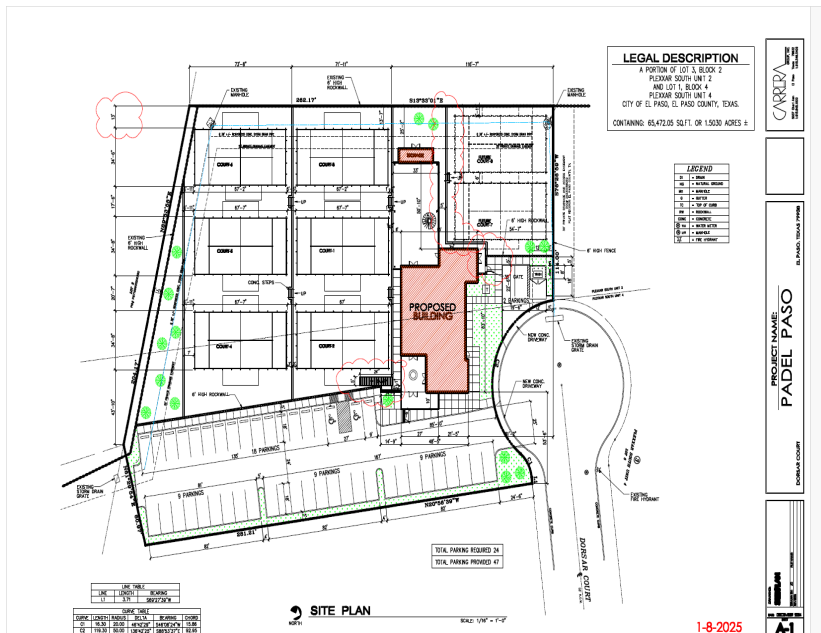
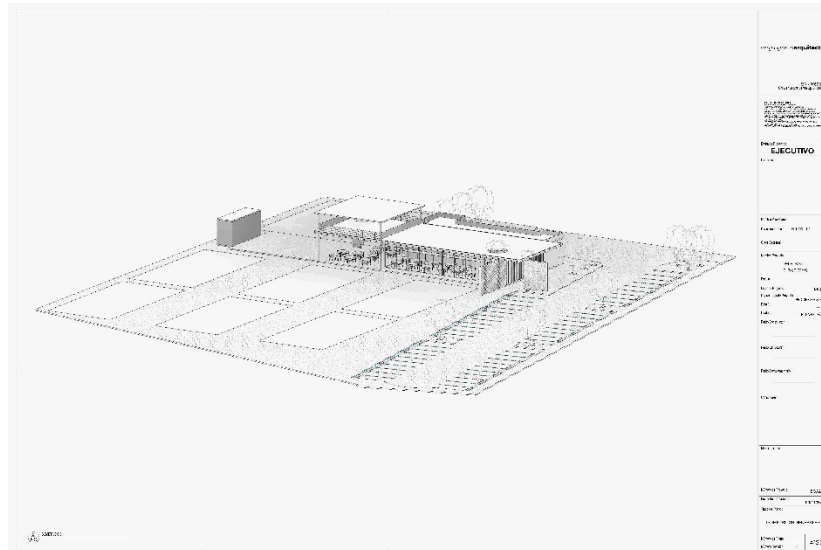
## EXHIBIT A-1

### [PROJECT DESCRIPTION AND RENEDEING]

#### Description of Development

Local developer looking to establish a paddle court entertainment district on the west side of El Paso to include eight courts plus a full-service restaurant.

#### Renderings/Building Plans:



## **EXHIBIT B**

### **[Employment Requirements & Grant Payment Eligibility]**

#### **SECTION 1. MINIMUM JOB CREATION AND RETENTION REQUIREMENTS.**

In order to be eligible for any Grant Payments, Applicant is required to create, staff and maintain at least 3 Full-Time Employment positions by *December 31, 2027*, and shall maintain the Full-Time Employment positions for the Project through the entire Grant Period of the Economic Development Agreement.

The parties agree that Full-Time Employment positions shall be considered “created” if they are above the total number of Full-Time Employment positions with Applicant’s operations in the City at the time this Agreement is executed (the “Threshold”). The parties agree that the *Threshold shall be equal to 3 Full-Time Employment positions*.

	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
<b>Jobs Created</b>	<b>2</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Jobs</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>

#### **SECTION 2. ELIGIBILITY FOR GRANT PAYMENTS.**

The Applicant’s eligibility for Grant Payments and any subsequent Grant Payments made by the City to the Applicant shall be determined pursuant to and in accordance with the following:

- A. Grant Payments shall be made equivalent to at least 50% the total value of the City’s portion of the incremental ad valorem property tax revenue generated by the Project above the Base Year Value for the Project for the given tax year during the Grant Period, upon the Applicant’s certification that at least 100% of the created and available Full-Time Employment positions required herein for which wages are at or above 100% of the Median Area Wage for the year covered by the Grant Submittal Package.
- B. Should applicant fail to meet all requirements, payment for that year is waived.

#### **SECTION 3. MEDIAN COUNTY WAGE.**

For purposes of this Agreement, the Median Area Wage is the median hourly wage established for the El Paso, Texas Metropolitan Area by the U.S. Bureau of Labor Statistics, as adjusted on January 1 of each year. However, in no event shall the applicable Median Area Wage used for determination of Grant payment eligibility be less than the Median Area Wage established for the corresponding year of the Grant Submittal Package.

## **EXHIBIT C**

### **[Grant Submittal Package Form]**

**APPLICANT** believes that it has substantially met its obligations under the Chapter 380 Agreement dated the \_\_\_\_ day of \_\_\_\_\_, 20\_\_ and signed by \_\_\_\_\_ of **APPLICANT**. Pursuant to the Agreement, **APPLICANT** submits this Grant Submittal Package Form in compliance with the Agreement and in anticipation of receiving the Grant payments referenced in the Agreement in consideration for its obligations met therein.

As required by the Agreement, the following information is submitted.

1. **[DUE WITHIN 12 MONTHS OF AGREEMENT EXECUTION]** Copies of all applicable approvals and permits
2. **[INITIAL GRANT SUBMITTAL ONLY]** Copy of certificate of occupancy
3. **[INITIAL GRANT SUBMITTAL ONLY]** Documentation to evidence minimum expenditures to date and not previously verified,
  - a. Stamped *PAID* invoices
  - b. Copies of checks proving payment – corresponding to paid invoices
  - c. Receipts for purchase of construction materials (must show amount of taxes paid)
  - d. Bank statements (in the event a transaction was paid with credit or debit card)
  - e. Contractor pay applications, notarized with lien releases
4. **[INITIAL GRANT SUBMITTAL ONLY]** Documentation evidencing the materials and labor of Taxable Items used in the construction of the Development eligible for rebate to Applicant under the *Construction Materials Sales Tax Rebate*;
5. **[INITIAL GRANT SUBMITTAL ONLY]** Documentation to evidence the amount of development and building fees paid as a result of the Development;
6. Job Certification Annual report plus attachment(s) as referenced in section 3(B)(1) of the Agreement;
7. Documentation showing proof of health insurance coverage were company pays a minimum of 50% of employee premium.
8. Property tax payment receipts showing proof of payment for tax year \_\_\_\_ .
9. Other necessary documents as requested by the City of El Paso.

It is understood by *APPLICANT* that the City of El Paso has up to *90 days* to process this request and reserves the right to deny the Grant claim if the terms of the Agreement have not been complied with. A Complete Submittal includes all documents listed on the Grant Submittal Package Form and other necessary documents as determined by the City;

By: \_\_\_\_\_  
Name: Gabriel Borunda  
Title: Owner

**STATE OF** \_\_\_\_\_ §  
 \_\_\_\_\_ §  
**COUNTY OF** \_\_\_\_\_ §

Notary Public, State of \_\_\_\_\_

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**EXHIBIT D**

**Property Tax Rebate Table**

<b>5 Years</b>	<b>50%</b>
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