

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

AGENDA DATE: December 5, 2023

CONTACT PERSON(S) NAME AND PHONE NUMBER: Karina Brasgalla, (915) 212-1570
Elizabeth Triggs, (915) 212-0094

DISTRICT(S) AFFECTED: District 4

STRATEGIC GOAL: Goal 1 - Create an Environment Conducive to Strong, Sustainable Economic Development.

SUBJECT:

Discussion and action that the City Council approves the allocation of funds from the Texas Economic Development Incentive Program to fund the intersection improvements at Stan Roberts and US-54 to support and facilitate development of the approximate 1,039 acres of land on the north side of Stan Roberts Sr. Avenue, west of U.S. Highway 54 within the City of El Paso, Texas in connection with the development contemplated in the Chapter 380 Economic Development Program Agreement entered into between the City of El Paso and Worldwide LLC, a Delaware limited liability company, in the estimated amount not to exceed \$5,000,000; and that the City Manager, or designee, be authorized to effectuate any budget transfers and associated agreements in order to effectuate the intent of this Resolution.

BACKGROUND / DISCUSSION:

The City Council agenda item proposes the allocation of funds from the Texas Economic Development Incentive Program to support intersection improvements at Stan Roberts and US-54 in El Paso, Texas. This initiative is a critical component for the development of approximately 1,039 acres of land on the north side of Stan Roberts Sr. Avenue, west of U.S. Highway 54. The funding is directly linked to the Chapter 380 Economic Development Program Agreement between the City of El Paso and Worldwide LLC, a Delaware limited liability company.

The purpose of this allocation is to enhance infrastructure, specifically at the mentioned intersection, with the aim of providing a competitive edge in the site selection process. By investing in these improvements, the City aims to attract and facilitate the development outlined in the agreement with Worldwide LLC. The strategic allocation of funds not only supports the growth of the specific project but also contributes to the broader economic development of the region.

PRIOR COUNCIL ACTION:

The Texas Economic Development fund established through Ordinance No. 019022, the amended franchise agreement between the City and El Paso Electric Company; and in accordance with the Texas Economic Development Incentive Program, as approved by the City Council on January 20, 2021.

In addition, City Council, will consider the following related items:

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- **Contract of Sale:** City Council will consider the sale of 1,039 acres of City-owned land on the northside of Stan Roberts Sr. Avenue, west of U.S. Highway 54 within the City of El Paso, Texas (the "Land") to Company for the development of one or more data center(s) and certain accessory uses.
- **Chapter 380 Economic Development Agreement:** City Council will consider a resolution authorizing the City Manager to sign a Chapter 380 Economic Development Program Agreement ("380 Program Agreement") with Company for the annual property tax grant, subject to the terms and conditions of the 380 Program Agreement, in amount equal to 80 percent of the City property taxes generated by the project over a 15-year period, starting the twelfth calendar year following the year in which Company provides the City documentation demonstrating it has met the minimum investment requirement. Company has the option to develop additional phases, each requiring a minimum \$800 million expenditure; and if so, subject to the terms and conditions of the 380 Program Agreement, Company would be eligible for separate property tax grants in an amount equal to 80 percent of the City property taxes attributable to the investment for 15 years for each phase, for up to five phases.

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- **Rezoning and Condition Release:** City Council will consider rezoning the Land from M-2 (Industrial) to C-4 (Commercial) to allow for the development and operation of one or more data center(s) on the Land; and will concurrently consider releasing all conditions currently running with the Land. On November 16, 2023, the City Plan Commission unanimously recommended approval of the proposed rezoning and condition release.
- **Chapter 312 Property Tax Abatement Agreement:** City Council will consider a resolution authorizing the City Manager to sign a Chapter 312 Property Tax Abatement Agreement ("Abatement Agreement") with Company for the annual waiver, subject to the terms and conditions of the Abatement Agreement, of 80 percent of the property taxes generated by the project and otherwise due to the City over a 10-year period, starting the calendar year following the year in which Company provides the City documentation demonstrating it has met the minimum investment requirement. Company has the option to develop additional phases, each requiring a minimum \$800 million expenditure; and if so, subject to the terms and conditions of the Abatement Agreement, Company would be eligible for separate property tax abatements in amount equal to 80 percent of the property taxes attributable to the investment and otherwise due to the City for ten years for each phase, for up to five phases.

AMOUNT AND SOURCE OF FUNDING:

Texas Economic Development Fund

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

DEPARTMENT HEAD:



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

RESOLUTION

WHEREAS, the El Paso City Council ("City") approved the Texas Economic Development Incentive Program ("TED Program") – Policy and Guidelines on January 20, 2021; and

WHEREAS, the purpose of the TED Program is to make funds available for financial incentives in the form of economic development grants and/or loans to promote economic development within El Paso Electric’s Texas Service Area through various categories, including Infrastructure Development Assistance; and

WHEREAS, the contemplated intersection improvements to Stan Roberts and US-54 meet the criteria of the TED Program; and

WHEREAS, the City desires to allocate funds from the TED Program in an amount not to exceed \$5,000,000 to the intersection improvements to Stan Roberts and US-54 in connection with the development contemplated in the Chapter 380 Economic Development Program Agreement entered into between the City and WURLDWIDE LLC, a Delaware limited liability company.

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;

THAT the City approves the allocation of funds from the Texas Economic Development Incentive Program to fund the intersection improvements at Stan Roberts and US-54 to support and facilitate development of the approximate 1,039 acres of land on the north side of Stan Roberts Sr. Avenue, west of U.S. Highway 54 within the City of El Paso, Texas in connection with the development contemplated in the Chapter 380 Economic Development Program Agreement entered into between the City of El Paso and Wurldwide LLC, a Delaware limited liability company, in an amount not to exceed \$5,000,000; 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 _____ 2023.

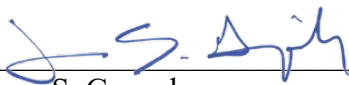
THE CITY OF EL PASO:

Oscar Leeser, Mayor

ATTEST:


Laura D. Prine
City Clerk

APPROVED AS TO FORM:



Juan S. Gonzalez
Senior Assistant City Attorney

APPROVED AS TO CONTENT:



Elizabeth K. Triggs, Director
Economic & International Development