

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

AGENDA DATE: 03/29/2022

PUBLIC HEARING DATE: N/A

CONTACT PERSON(S) NAME AND PHONE NUMBER: Mirella Craigo, (915) 212-1617
Elizabeth Triggs (915) 212-1619

DISTRICT(S) AFFECTED: All Districts

STRATEGIC GOAL: 1. Cultivate an environment conducive to strong, sustainable economic development

SUBGOAL: 1.1 Stabilize and expand El Paso's tax base, 1.7 Identify and develop plans for areas of reinvestment and local partnership

SUBJECT:

APPROVE a resolution / ordinance / lease to do what? OR AUTHORIZE the City Manager to do what? Be descriptive of what we want Council to approve. Include \$ amount if applicable.

A Resolution authorizing the City Manager to sign a Chapter 380 Economic Development Program Agreement ("Agreement") between the City of El Paso (the "City") and Pioneers 21 (the "Applicant"). The City will provide Applicant with grant payments for costs incurred in operating a business incubator in downtown El Paso that will support local entrepreneurship and innovation development and accelerate economic development efforts in the City. The total amount of grant payments paid to the Applicant shall not exceed \$500,000.00 over the term of the Agreement. The Applicant's eligibility for the grant payments shall be limited to two years. The City shall review the Applicant's eligibility for Grant Payments on a monthly and annual basis.

BACKGROUND / DISCUSSION:

Discussion of the what, why, where, when, and how to enable Council to have reasonably complete description of the contemplated action. This should include attachment of bid tabulation, or ordinance or resolution if appropriate. What are the benefits to the City of this action? What are the citizen concerns?

Pioneers 21, previously known as the Hub of Human Innovation, is a non-profit organization and business incubator based in Downtown El Paso that nurtures the development of startup and early stage companies. The purpose of the recommended two-year Chapter 380 Agreement is to provide Pioneers 21 with capitalization funds for actual and reasonable costs incurred in operating a business incubator designed to support local entrepreneurship, innovation development, and accelerate economic development efforts in El Paso.

PRIOR COUNCIL ACTION:

Has the Council previously considered this item or a closely related one?

On November 12, 2019, City Council adopted a two-year Chapter 380 Agreement with Pioneers 21 in the amount not to exceed \$500,000 that expired on November 12, 2021.

AMOUNT AND SOURCE OF FUNDING:

How will this item be funded? Has the item been budgeted? If so, identify funding source by account numbers and description of account. Does it require a budget transfer?

This two-year agreement will be funded in the amount not to exceed \$500,000 from the Impact Fund

HAVE ALL AFFECTED DEPARTMENTS BEEN NOTIFIED? X YES ___ NO

PRIMARY DEPARTMENT: Economic & International Development

SECONDARY DEPARTMENT: N/A

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

DEPARTMENT HEAD:

Elizabeth Triggs, Director



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

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”) between the City of El Paso (the “City”) and Pioneers 21 (the “Applicant”). The City will provide Applicant with grant payments for costs incurred in operating a business incubator in downtown El Paso that will support local entrepreneurship and innovation development and accelerate economic development efforts in the City. The total amount of grant payments paid to the Applicant shall not exceed \$500,000.00 over the term of the Agreement. The Applicant’s eligibility for the grant payments shall be limited to two years. The City shall review the Applicant’s eligibility for Grant Payments on a monthly and annual basis.

APPROVED this _____ day of _____, 20_____.

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 Triggs, Director
Economic & International Development

STATE OF TEXAS)
)
COUNTY OF EL PASO) **CHAPTER 380 ECONOMIC DEVELOPMENT
PROGRAM AGREEMENT**

This Chapter 380 Economic Development Program Agreement (“Agreement”) is made and entered into by and between the **CITY OF EL PASO, TEXAS** (“City”), a Texas home rule municipal corporation, and **PIONEERS 21, INC.**, (“Applicant”), a 501 (c) (3) tax-exempt, non-profit corporation authorized to do business in Texas, for the purposes and considerations stated below:

WHEREAS, the Applicant desires to enter into this Agreement pursuant to Chapter 380 of the Texas Local Government Code (“Chapter 380”) and the Texas Constitution Article VIII, Section 52-a; and

WHEREAS, on June 14, 2011, the City adopted a Chapter 380 economic development program by creating the City of El Paso Economic Development Incentive Policy Impact Fund ("Impact Fund") for the purpose of achieving economic growth, expanding and diversifying the tax base and creating new quality jobs within the City of El Paso; and

WHEREAS, the City desires to provide, pursuant to Chapter 380, an incentive to Applicant to expand Applicant’s Business Incubator services within the City of El Paso; and

WHEREAS, the City has the authority under Chapter 380 to make loans or grants of public funds for the purposes of promoting local economic development and stimulating business and commercial activity within the City of El Paso; and

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

WHEREAS, the City and Applicant desire that Applicant’s Business Incubator be located in and serve the City of El Paso; and

WHEREAS, the Applicant’s Business Incubator services being located in El Paso, Texas will likely encourage increased economic development in the City, 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 citizens of El Paso; and

WHEREAS, the City has concluded and hereby finds that this Agreement embodies an eligible “program” and promotes economic development in the City of El Paso and, as such, meets the requisites under Chapter 380 of the Texas Local Government Code and further, is in the best interests of the City and Applicant.

NOW, THEREFORE, in consideration of 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 agree as follows:

SECTION 1. DEFINITIONS.

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

- A. **Agreement.** The word “Agreement” means this Chapter 380 Economic Development Program Agreement, together with all attached exhibits.
- B. **Annual Report.** The words “Annual Report” mean a yearly account provided to the El Paso City Council that includes descriptions reporting on the outcome metric items more fully described in **EXHIBIT D**, which is attached hereto and incorporated herein for all purposes.
- C. **Applicant.** The word “Applicant” means Pioneers 21, Inc., a 501 (c) (3) non-profit corporation authorized to do business in Texas.
- D. **City.** The word “City” means the City of El Paso, Texas.
- E. **Client Company.** The words "Client Company" mean: (i) an entity which has contracted with the Applicant to receive business incubation services, which are consistent with the operation of the Project or (ii) an entity which has its operation in the El Paso region, is a viable business concern, and has received services from Applicant during the term of this Agreement
- F. **Project.** The word “Project” means Applicant’s Business Incubator services being located in El Paso, Texas as more fully described on **EXHIBIT A**, which is attached hereto and incorporated herein for all purposes.
- G. **Effective Date.** The date upon which both parties have fully executed this Agreement as set forth on the signature pages hereof.
- H. **Event of Default.** This phrase shall have the meaning set forth in Section 5 hereof.
- I. **Event of Nonappropriation.** The phrase means the failure of the City to appropriate for any Fiscal Year, sufficient funds to pay the Grant payment, or the reduction of any previously appropriated money below the amount necessary to permit the City to pay the Grant payments from lawfully available funds.
- J. **Full-Time Employment.** The words “Full-Time Employment” mean an employment position requiring a minimum of 1820 hours of work averaged over a twelve (12) month period, including allowance for vacation and sick leave, with full company benefits, including company paid contributions to health insurance, for those employees that participate in the health insurance program. Principal place of employment or location of services rendered shall be within the geographic limits of the City of El Paso, Texas.
- K. **Graduate Company.** The words “Graduate Company” mean a company that had previously been identified as a Client Company and has begun operations as a viable business concern.

- L. **Grant.** The word “Grant” means a payment on an annual basis to Applicant under the terms of this Agreement and payable from the City’s Impact Fund. Under no circumstances shall the aggregated, annual Grant payment exceed \$250,000 per year. The maximum payment amounts shall not exceed \$500,000 during the two-year term of this Agreement.

- M. **Grant Submittal Package.** The words “Grant Submittal Package” mean the documentation required to be supplied to City on a yearly basis as a condition of receipt of the Grant, with such documentation more fully described in **EXHIBIT E**, which is attached hereto and incorporated herein for all purposes.

- N. **New Client Company.** The words “New Client Company” mean: (i) an entity which has contracted with the Applicant to receive business incubation services, which are consistent with the operation of the Project and (ii) an entity which can be a startup or has its operation in the El Paso region, is a viable business concern, and has received services from Applicant during the term of this Agreement

- O. **Project.** The word “Project” means the project more particularly described in **EXHIBIT A**.

- P. **Property.** The word “Property” means the location of Applicant’s operations, place of business and address for Notice purposes located at 500 W. Overland Ave. Suite 230, 79901, in El Paso, TX, as described in **EXHIBIT A**.

SECTION 2. TERM AND GRANT PERIOD.

The Term of this Agreement shall commence on the Effective Date and shall terminate on the first to occur: (i) Two years from the Effective Date, plus such additional time thereafter as may be necessary to process the final Grant payment or (ii) the proper termination of this Agreement in accordance with the applicable provisions contained herein, or (iii) termination by mutual consent of the parties in writing.

The Grant Period shall begin when the Applicant submits their initial Grant Submittal Package to the City.

SECTION 3. AGREEMENT PURPOSE

The purpose of the Grant is to provide Applicant with capitalization funds for actual and reasonable costs incurred in operating a business incubator in downtown El Paso, which will support local entrepreneurship and innovation development and accelerate economic development efforts in El Paso, including, but not limited to, accelerating the creation of firms operating in the El Paso region, as described in Exhibit A. Applicant’s services and activities are anticipated to promote local economic development and stimulate business and commercial activity in the City of El Paso.

The Applicant's eligibility for Grant payments shall be limited to Two years (the "Grant Period") within the term of this Agreement. The City shall review Applicant's eligibility for Grant Payments on a monthly basis in accordance with **EXHIBITS C and E** and on an annual basis in accordance with **EXHIBIT D**, during the Grant Period.

SECTION 4. OBLIGATIONS OF APPLICANT.

During the term of this Agreement, Applicant shall comply with the following terms and conditions:

- A. **Project Requirements.** Applicant agrees to maintain and operate the business incubator, at its sole cost and expense, located at 500 W. Overland Avenue, El Paso, Texas and specifically, to perform the following obligations with respect to operation of the business incubator:
1. Applicant will provide high-quality business incubation services on behalf of each Client Company and each Graduate Company, as applicable, to include, as appropriate:
 - a. Infrastructure services (e.g., use of facilities, furniture, high-speed internet access, mail delivery, conference rooms, telephone service, shared services, and other facility-related benefits);
 - b. Access to operational support services (e.g., in-kind professional support, accounting/financial management, human resources, and legal); and
 - c. Access to strategic support services (e.g., strategic partner networks, entrepreneurial education and training, access to investor financing and capitalization, product development, commercialization, and marketing, intellectual property strategy, business strategy and planning, links to higher education, specific-sector expertise, and linkages to mentors, advisory teams, and potential board of directors' candidates).
 2. During the term of this Agreement, Applicant will establish contractual obligations in its service contracts with each Client Company for the provision of data and information necessary for Applicant to complete the documentation required for each, annual Grant Submittal Package and the Annual Report.
 3. Applicant will develop a workable selection process for each Client Company, which is well-communicated and appropriate to the mission and the context of the business incubator and correlated to specific product and business criteria for each prospective Client Company.
 4. Applicant agrees to use its best good faith efforts to obtain funding from other non-governmental funding sources as those funding opportunities become available. Applicant is also required to submit a Strategic Plan (**EXHIBIT F**) for 2022-2024. Upon the one-year anniversary of this executed agreement an updated Strategic Plan

will be submitted by Grantee to address economic changes in the market, programming schedules and any and all other changes the Grantee plans to amend.

5. Applicant agrees to seek out opportunities for collaboration and partnership with entities involved entrepreneurial activity in El Paso, Texas, including, but not exclusively, with LiftFund Inc. to assist businesses secure access to capital.
- B. Applicant expressly agrees that the transfer of dollar amounts among existing allowable categories described in **EXHIBIT B** (the "Project Budget"), shall not change the scope or objective of the Project funded under this Agreement.
- C. Applicant expressly agrees to submit a written request for the revision of the Project Budget, which must contain a complete explanation and justification of changes made, and is subject to the approval of the City Manager, Director of Economic and International Development, or other of City Manager's designee. The revised Project Budget will substitute the original Project Budget (or any prior revised Project Budget) upon the City Manager Director of Economic and International Development, or other of City Manager's designee's approval and acceptance thereof, without the need for a written amendment to this Agreement.
- D. Applicant agrees that it shall create, staff, and maintain all positions described in **EXHIBIT B** for the Project as of December 31 of the applicable year, and shall maintain the Full-Time Employment positions staffed through the entire Grant Period of this Agreement. In order for Applicant to be eligible to receive grant payments, the individual positions in Exhibit B must each meet or exceed the "Full Time Employment" definition as shown above in Section 1. J.
- E. Applicant, during normal business hours, at its principal place of business in El Paso, and with one weeks written notice, shall allow the City, or its agents, reasonable access to Applicant's employment records and books, and other records that are related to Applicant's compliance with this Agreement. City and Applicant must mutually agree to employment records and books to be accessed prior to allowing the City or its agents access to Applicant data. If the City is unable to verify Full-Time Employment, the Applicant agrees to waive their Grant Payment for that year. 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 to the extent allowed by the Texas Public Information Act.
- F. Each month, starting immediately after the Effective Date of this Agreement, Applicant will complete and submit a Grant Submittal Package in the form attached here to as **EXHIBIT E**, together with the requisite verifiable documentation, in order to request disbursement of Grant funds on a reimbursement basis for the costs of services provided pursuant to this Agreement during the prior month. Applicant shall submit to the City their initial Grant Submittal Package to commence the Grant Period within thirty (30) business days of the Effective Date. The Grant Submittal Package cannot be submitted earlier than April 29, 2022. A failure by Applicant to timely submit a Grant Submittal Package in accordance with this paragraph is a waiver by the Applicant to receive a Grant payment for that Grant

month. The City's determination of the amount of the Grant payment due to Applicant is final. Nothing herein shall limit (or be construed to limit) Applicant's rights and remedies under this Agreement.

- G. On an annual basis, Applicant will produce and present an Annual Report to the El Paso City Council to include descriptions reporting on the outcome metric items more fully described in **EXHIBIT D**. In accordance with Attachment D-1 to Exhibit D, the Applicant must provide the Benchmarking Survey results within 60 days of administering the survey to all Client Companies before and after participating in Applicant's programming. The City reserves the right to audit the raw data results upon request. Failure of the Applicant to produce and present the Annual Report shall result in a stop on future disbursements of Grant funds.
- H. Applicant shall pay by January 31 of each year all of the real and business personal ad valorem taxes due for the previous tax year on the Project. The Applicant shall pay by January 31 of each year all of the real and business personal ad valorem taxes due for the previous tax year on any other property owned by the Applicant with the City of El Paso.

SECTION 5. OBLIGATIONS OF CITY.

During the term of this Agreement and so long as an event of default has not occurred and is not continuing as set forth herein (provided, however, an event of default hereunder shall not be deemed to have occurred until after the expiration of the applicable notice and cure period), City shall comply with the following terms and conditions:

- A. On an annual basis, the City shall evaluate Applicant's performance based on the Performance Metrics described in **EXHIBIT C** and shall score each metric as either "Favorable" (meaning Applicant has met or exceeded the Performance Metric) or "Unsatisfactory" (meaning Applicant has failed to meet the Performance Metric by twenty-five percent (25%) or more). If Applicant fails to meet the above "Favorable" scoring threshold in any category for the reporting period, the Monthly Grant payment shall be withheld.

For scoring purposes, the Performance Metrics described in **EXHIBIT C** shall be divided by twelve and rounded to the nearest whole number to reflect the monthly metric goals. Monthly Grant payments shall not be withheld if Applicant fails to meet the monthly metric goals described in **EXHIBIT C** in any specific category where the Applicant has already exceeded the total annual metric requirement, noted as the "Annual Metric Target" in **EXHIBIT C**. If the Applicant fails to meet or exceeded the Annual Metric target for each category described in **EXHIBIT C** by the end of the Grant year, all future Grant payments shall be withheld.

The City agrees to approve or reject any Grant Submittal Package within ninety (90) days after its receipt. The City agrees to process any Grant Payments to Applicant within ninety (90) days after its approval of the Applicant's Grant Submittal Package. The City shall determine the total amount of Grant payments due to the Applicant, if any, on an annual basis as provided in **EXHIBITS B** and **C**. The maximum, annual grant payments shall not

exceed \$200,000 per year. Under no circumstances shall the total, aggregated payments disbursed by the City exceed \$500,000.00 over the two-year period this agreement is in effect.

B. **Grant Match:** Applicant is eligible to receive an additional \$50,000 per year provided that the Applicant meets all other conditions, metrics and requirements enumerated in this Agreement and its Exhibits in addition to the following conditions:

1. Applicant provides written documentation that Applicant has secured external funding in the amount of \$50,000 during each year of this Agreement. Applicant must provide documentation evidencing that the matching funds came from a donor(s) that did not provide funds in the year prior to the date of this Grant Agreement; or, alternatively, if matching funds came from a donor who donated in the year prior to the date of this Grant Agreement, only that portion of the donation that exceeds the amount previously contributed to Applicant in the year prior to the date of this Grant Agreement shall be used to calculate the amount of matching funds. Matching funds can also be obtained from other grants, government agencies, State, Federal, universities and other new sources of new revenue or funding. Pledges, loans or other unactualized funding or promises of same shall not be included nor eligible for consideration under the provisions of this section. The City's grant match amount of up to \$50,000 will have a restricted use on 20% of the grant funds raised. At least 20% of the grant match funds will be used to assist Applicant's Graduate Companies with business operating expenses. For illustrative purposes, if the Applicant raises \$50,000 and receives the \$50,000 grant match from the City; then \$10,000 of the amount received from the City will be reserved for use to assist Applicant's Graduate Companies with business operating expenses. The grant match funds can be distributed among one or more businesses. The remaining grant match funds are limited for use by Applicant for only the following uses: Applicant's operating expenses, retained earnings, or used to hire additional personnel on either a Full-Time or Part-Time basis.

SECTION 6. EVENTS OF DEFAULT.

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

A. **Failure to Operate and Maintain Project and Job Requirements.** Applicant's failure or refusal to operate the Project and maintain Full Time Employment requirements pursuant to this Agreement through the Grant Period, and Applicant's failure or refusal to cure within ninety (90) days after written notice from the City describing such failure, shall be deemed an event of default.

B. **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 thirty (30) days after written notice from the City shall be deemed an event of default. If such violation cannot be cured within such thirty (30) day period in the exercise of all due diligence, but the Applicant commences such cure within such thirty (30) day period and continuously thereafter diligently prosecutes 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 thirty (30) days after Applicant learns of its false or misleading nature, such action or omission shall be deemed an event of default.

- C. **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 the Property, 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 events of default. However, in the case of involuntary proceedings, if such proceedings are discharged within sixty (60) days after filing, no event of default shall be deemed to have occurred.
- D. **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 thirty (30) days after written 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 Project.
- E. **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's or City's failure to cure such failure within sixty (60) days after written notice from the other party describing such failure, shall be deemed an event of default. If such failure cannot be cured within such sixty (60) day period in the exercise of all due diligence, and Applicant or City commences such cure within such sixty (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.
- F. **Failure to Cure.** If any event of default by Applicant or City shall occur, and after Applicant or City fails to cure same in accordance herewith, then this Agreement may be terminated without any further action required of the Applicant or City and the Applicant's or City's obligations end at that time. If a default has not been cured within the time stated herein, the non-defaulting party shall have all rights and remedies under the law or in equity.
- G. **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 7. RECAPTURE OF GRANT PAYMENTS.

Should the Applicant default under Section 4 of this Agreement or any other terms of this Agreement, and provided that the cure period for such default has expired and Applicant failed to timely cure such default, all Grants previously provided by the City pursuant to this Agreement shall be recaptured and repaid by Applicant within sixty (60) days from the date of such termination.

SECTION 8. TERMINATION OF AGREEMENT BY CITY WITHOUT DEFAULT OF APPLICANT.

The City may terminate this Agreement for its 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 void or illegal, including any case law holding that a Chapter 380 Economic Development Agreement such as this Agreement is an unconstitutional debt.

SECTION 9. MISCELLANEOUS 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 all 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, with no ability for the Applicant to cure.
- D. **Applicant's Sale or Transfer of the Project.** Thirty days prior to any sale or other transfer of ownership rights in the Project, Applicant shall notify the City in writing 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. **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.
- G. **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 the same document.
- H. **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 one hundred twenty (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 seven percent (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.
- I. **Execution of Agreement.** The City Manager has received authority to execute this Agreement on behalf of the City from the City Council through approval of a resolution.
- J. **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.
- K. **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

CITY: City of El Paso
City Manager
P.O. Box 1850
El Paso, Texas 79950-1850

Copy To: City of El Paso
Economic & Intl. Development - Director
P.O. Box 1850
El Paso, Texas 79950-1850

APPLICANT: Laura Butler: Executive Director
Pioneers 21, Inc.
500 W. Overland Avenue Suite 230
El Paso, TX. 79901

- L. **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 Project unless specifically enumerated herein.

- M. **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.

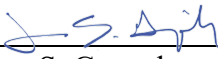
[SIGNATURES BEGIN ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have executed this Agreement on this ____ day of _____, 2022.

CITY OF EL PASO, TEXAS:


Tomás González City Manager

APPROVED AS TO FORM:



Juan S. Gonzalez
Senior Assistant City Attorney

APPROVED AS TO CONTENT:



Elizabeth Triggs, Interim Director
Economic and International Development

ACKNOWLEDGMENT

STATE OF TEXAS §
 §
COUNTY OF EL PASO §

This instrument was acknowledged before me on the ____ day of _____, 2022, by **Tomás González**, as **City Manager** of the **City of El Paso, Texas**.

Notary Public, State of Texas

My Commission Expires:

[SIGNATURES CONTINUE ON THE FOLLOWING PAGE]

APPLICANT:

Pioneers 21, Inc.:

A corporation authorized to do business in Texas

By: Laura P. Butler
Name: Laura P. Butler
Title: Executive Director

ACKNOWLEDGMENT

STATE OF Texas §
 §
COUNTY OF El Paso §

This instrument was acknowledged before me on the 23 day of March,
2022, by Laura Butler, as Executive Director of Pioneers 21, Inc.

Stephanie Montanez
Notary Public, State of Texas



My Commission Expires:

03/04/2025

EXHIBIT A

[Project]

Pioneers 21, Inc. provides incubation and related business development services to appropriate emerging and high growth companies. Currently, Pioneers 21, Inc. is housed at 500 W. Overland Ave. Suite 230, 79901, in El Paso, TX.

EXHIBIT B

PROJECT BUDGET

In order for the Applicant to be eligible for any Grant Payment, Applicant is required to provide an annual report that demonstrates full-compliance with the budget items described below in “Table 1”.

BUDGET	
Item	2022-2024
Business Support Salaries & Fringes	
Executive Director (Full-Time Employment)	\$125,330
Assistant Director (Full-Time Employment)	\$30,540
Office Assistant	\$16,630
Total	\$172,500
Operating Expenses including but not limited to:	
Marketing / Education Program	
Supplies and Equipment	
Equipment rental	
Software	
Contract Services	
Accounting	
Business Support (Coaching / Mentoring)	
Payroll Processing	
Phone Telecommunications	
Travel	
Workshops, training, rent	
Space (CAM , rent is donated)	
Insurance	
	\$27,500
Grant Total	\$200,000

EXHIBIT C

PERFORMANCE METRICS

In order for the Applicant to be eligible for any Grant Payment, Applicant is required to provide a monthly report that demonstrates compliance with the performance metric items described below

Performance Metric	Year 1 (2022-23)	Year 2 (2023-24)
Conduct an annual Benchmarking Survey to assess program effectiveness (No less than 20 responses)	Due within 60 days of contract execution	Due within 60 days of contract execution anniversary date in 2023
Total # of program applicants (new or existing) from newly launched programs: a) Startup Bootcamp Program Business Model Canvas (Attachment C-1) b) Borderland Venture Service (Attachment C-2)	25	25
Access to Capital Referrals Community Development Financial Institution (CDFI) or other banking/financial institutions	12	12
Number of Entrepreneurs Securing Working Capital	4	6
Startup Boot Camp Graduates	15	20
Borderland Venture Service Business Model Canvas Graduates	10	10
Quality Texas Foundation Examiner Training (Attachment C-3)	10	10



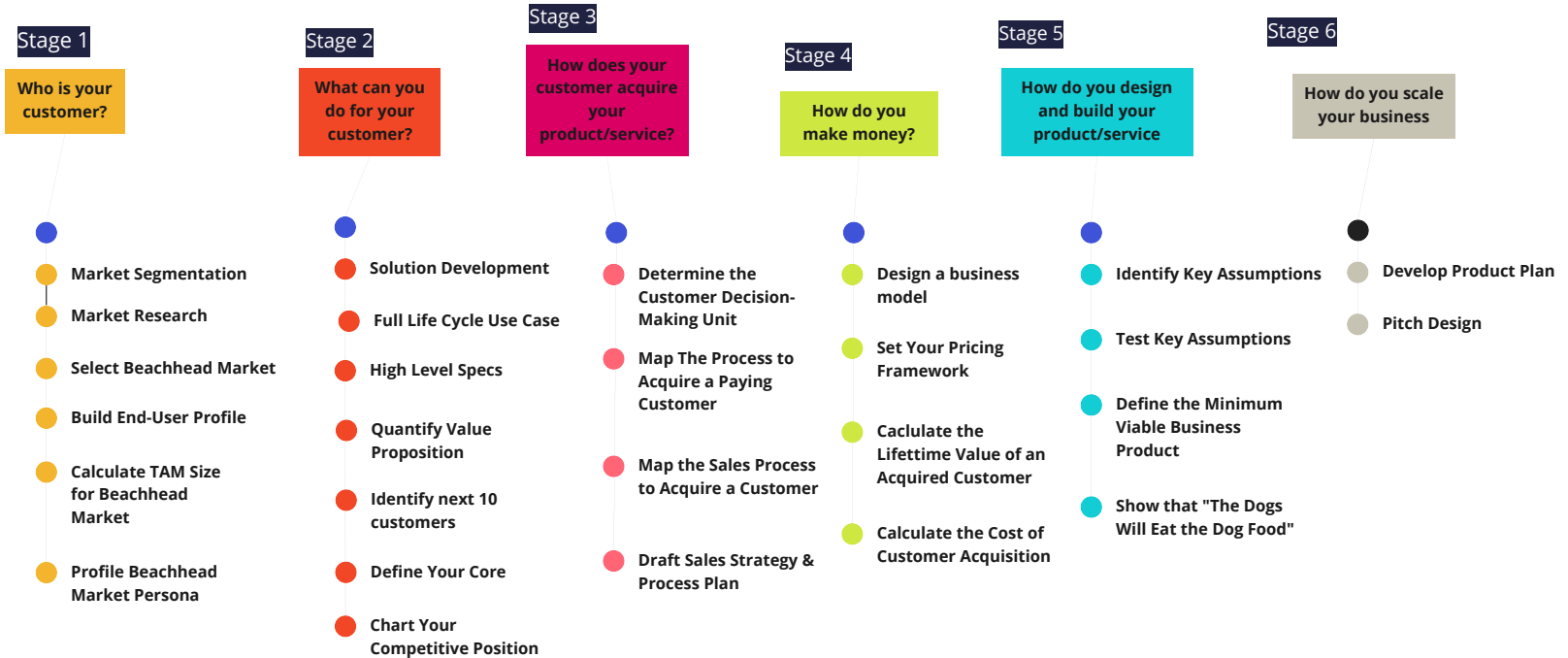
Startup Bootcamp Program

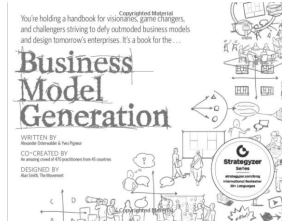
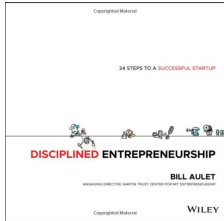
A startup accelerator designed to help entrepreneurs develop and launch revenue generating prototypes.

The Mechanics

- Step-by-step program based on best practices and guided by expert consultant
- Interactive workshops (in-person or virtual)
- Virtual collaboration and workspace
- Self-learning and flexible scheduling
- Access to innovation and design tools

Startup Incubator Program Milestones & Deliverables





Borderland Venture Service Business Model Canvas

Presented by:



The Business Model Canvas

Prepared for: Pioneers 21

Prepared by: Adam

Date: 1/7/2022

Key partners

MIT VMS

Volunteer Mentors

The City & County of El Paso

Ecosystem Partners

(e.g. UTEP, EPCC, FabLab, T0Hub, Chambers)

Sponsors

(local and national)

Service Providers

(e.g. technology, suppliers, communications)

Key activities

- Building and managing our mentor pool
- Building and managing our venture pool
- Building mentor teams for ventures
- Organizing mentor team meetings
- Organizing monthly mentor meetings and newsletters
- Managing, monitoring, recording, and reporting and improving the program
- Raising awareness
- Organizing the operations committee

Key resources

Physical:

- Meeting space
- workspace
- office equipment

Intellectual

- MIT VMS license and structure
- Internal organizational knowledge

Human

- Staff
- Volunteer committee members
- Volunteer mentors
- Entrepreneurs

Financial

- operating funding

Key propositions

Entrepreneurs

Access to high quality advice and mentorship by vetted experts in areas the ventures current needs and goals

- Accessibility
- Cost reduction
- Performance:
- Usability

Mentors

- Opportunity to give back and be part of a movement to help grow our business community.
- Experience of being part of a special and prestigious program.
- Potential investment opportunities

Customer relationships

Personal Assistance

- VMS Community Manager: general info, scheduling, mentor team management, assistance
- Mentor Team Meetings; ongoing arranged meetings with mentor teams.

Communities

- Monthly Mentor Meetings

Channels

Awareness

Our staff (Direct outreach), referrals from partners, email and social media marketing, and Media

Evaluation: Staff (in-person, email, and in-person), website, brochure, reviews

Signup: : web form and email

Delivery: email and team, in-person (or virtual) meetings with mentors

Customer segments

Mix: Niche, Segmented & Multi-sided market segmentation

Entrepreneurs

1. **Early Stage Startups:**
Founders with a with an idea or concept for a new product, service or venture that has high growth potential.
2. **Small Businesses:**
Founders or Executive/Officers of small businesses that has growth potential who want to develop a new product, service, or expand into new markets.

Sponsors

Corporate or community partners who believe in the mission

Mentors

Experts from our local corporate and entrepreneur community who are inspired by the program mission. Mentors are a secondary focus, and also considered a partner and resource, but is a volunteer and must receive value from the experience they have in return for their contributions.

Cost Structure

Cost Driven

Fixed Costs

- **Facility** (Meeting space)
- **Technology** (CRM, Scheduling Tool, Zoom)

Variable Costs

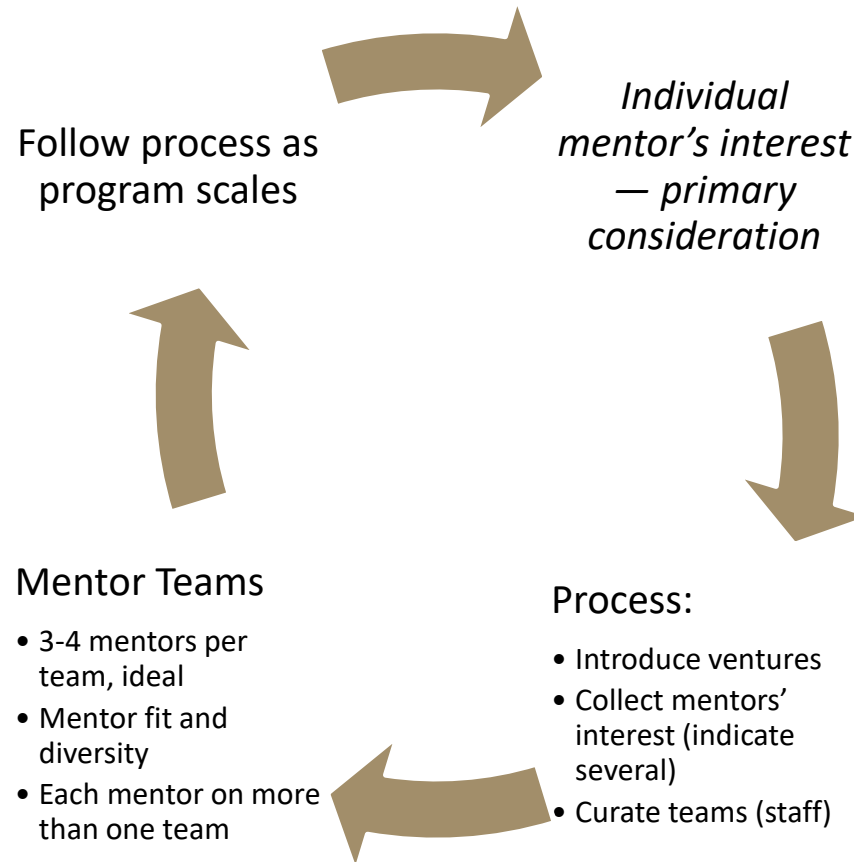
- **Staff** (Directors & Admin)
- **Professional Fees** (e.g. taxes)
- **Supplies** for the office, meetings, and events
- **Marketing**

Revenue Streams

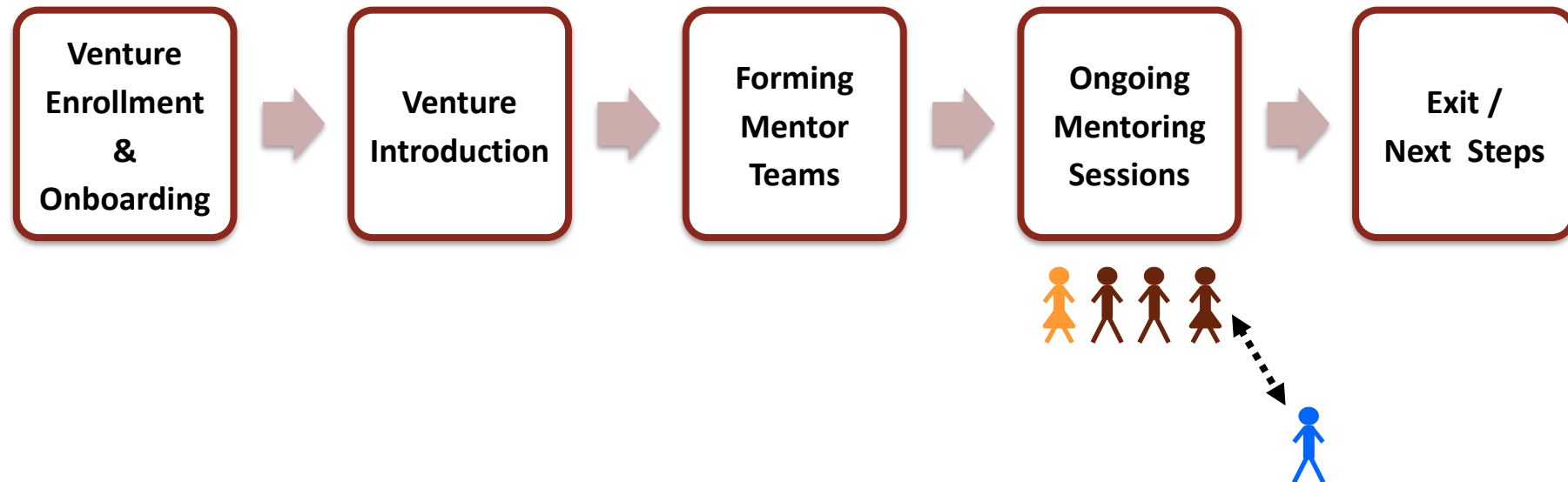
- Sponsors
- Fundraisers
- Grants

2022 Venture Mentor Service

Minimum 10 ventures in addition to the incubator on going cohorts throughout the year



Mentoring Process Overview



Attachment C-3

INTERNAL COACH/EXAMINER TRAINING - 3 Days

The Internal Coach/Examiner training is redesigned as an introduction or refresher for participants in how to use the Baldrige Excellence Framework. Topics covered include how to evaluate an organization in the Independent Review (IR), the Consensus Review (CR) and the Physical or Virtual Site Visit (PSV/VSV). The training will teach how to determine a strength and opportunity for improvement in all of the Category/Items. If writing an application, the organization should send around 5 -7 people to this training; WE teach the test! A current award recipient application with a feedback report will be evaluated against the Baldrige Framework during training.



<https://web.cvent.com/event/0d45af17-0392-433d-bf96-42b7bff73483/websitePage:979ff33e-c502-4311-8a01-300eb47e0000>

QUALITY TEXAS FOUNDATION

The Quality Texas Foundation helps businesses, hospitals, schools, government agencies and non-profits improve performance. We educate, train, assess, provide feedback and recognize organizations committed to a journey of excellence.

Our Vision

The Quality Texas Foundation (QTF) will continue to be the preeminent state program assisting individuals, organizations, and communities with continuous improvement efforts.

Our Mission

QTF exists to assist individuals, organizations and communities in their continuous improvement efforts thereby positively impacting our communities, state, and nation.

<https://quality-texas.org/about-us/>

EXHIBIT D

[Yearly Report]

OUTCOME METRIC REPORT

Applicant is required to provide the results of the Benchmarking Survey (Attachment D-1) within ninety days (90) of execution of this agreement. The survey must contain a minimum of 20 responses from existing clients.

An annual report that includes descriptions reporting on the outcome metric items detailed below.

1. Results of the Benchmarking Survey (Attachment D-1)
2. Results of the Performance Metric (EXHIBIT C)

Exhibit D-1: Survey

Please enter the following information: *Open Ended Response*

1. Name of Business
2. Registered Business Owner Name(s)
3. Respondent's Name and Title within Company (If different from owner)
4. Business Email Address
5. Business Telephone Number
6. Business Physical Address
 - a. Address
 - b. City/Town
 - c. State
 - d. Zip/Postal Code
7. Business Mailing Address (If different from physical address)
8. Which of the following industry categories best describes the primary products or services offered by your company? (Supersectors – U.S. Bureau of Labor Statistics) *Check-Box Response*
 - a. Natural Resources & Mining
 - b. Construction
 - c. Manufacturing
 - d. Trade, Transportation, & Utilities
 - e. Information
 - f. Financial Activities
 - g. Professional & Business Services
 - h. Education & Health Services
 - i. Leisure & Hospitality
 - j. Other Services (Please explain) _____
9. When was your company founded or when did your company begin business operation? (MM/YYYY)
10. When did your company become a client/participant at Pioneers 21? (MM/YYY)
11. When did your company leave Pioneers 21? Please put "NA" if your company is still an active client/participant.
12. What was your main reason for leaving Pioneers 21? *Check-Box Response*
 - a. Completed incubator graduation goals
 - b. Completed your own business graduation goals and/or was ready to go on my own
 - c. Costs were too high
 - d. My company is still an active client/participant
 - e. Other (Please explain) _____
13. Number of full-time & part-time employees at company's inception (counting yourself, if applicable):
 - a. Full time: ____
 - b. Part time: ____

Key Performance Indicators (Pre & Post Program/Incubation Survey)

14. Number of current full-time & part-time employees (counting yourself, if applicable):
 - a. Full time: _____
 - b. Part time: _____

Financial Standing:

15. Total Revenue (Sales)

- a. Less than \$1000
- b. \$1,001-\$5,000
- c. \$5,001-\$25,000
- d. \$25,001-\$50,000
- e. \$50,001-\$100,000
- f. \$100,000-\$200,000
- g. \$200,000+

16. Total Debt

- a. Less than \$1000
- b. \$1,001-\$5,000
- c. \$5,001-\$25,000
- d. \$25,001-\$50,000
- e. \$50,001-\$100,000
- f. \$100,000-\$200,000
- g. \$200,000+

17. Net Income

- a. Less than \$1000
- b. \$1,001-\$5,000
- c. \$5,001-\$25,000
- d. \$25,001-\$50,000
- e. \$50,001-\$100,000
- f. \$100,000-\$200,000
- g. \$200,000+

18. Number of Loans Acquired

- a. 1
- b. 2
- c. 3
- d. 4
- e. 5+

19. Average Amount of Loan(s) Acquired

- a. \$0-\$10,000
- b. \$10,001-\$20,000
- c. \$20,001-\$30,000
- d. \$30,001-\$40,000
- e. \$40,001-\$50,000
- f. \$50,001+

20. Source/Loan Provider

21. Number of Grants Acquired

- a. 1
- b. 2
- c. 3
- d. 4
- e. 5+

22. Average amount of grant(s)

- a. \$0-\$10,000

- b. \$10,001-\$20,000
- c. \$20,001-\$30,000
- d. \$30,001-\$40,000
- e. \$40,001-\$50,000
- f. \$50,001+

23. Source/Grant Provider

24. Self-investment

- a. Less than \$1000
- b. \$1,001-\$5,000
- c. \$5,001-\$25,000
- d. \$25,001-\$50,000
- e. \$50,001-\$100,000
- f. \$100,000-\$200,000
- g. \$200,000+

25. Other forms of revenue

- a. Crowd-sourcing
- b. Venture capital
- c. Angel investor(s)
- d. Other (Please explain)_____

26. Number of patents acquired

- a. 1
- b. 2
- c. 3
- d. 4
- e. 5+

Rate your overall experience and the effectiveness of Pioneers 21's programs in the following areas:

27. Business Assessment

- a. Highly unsatisfied
- b. Unsatisfied
- c. Neutral
- d. Satisfied
- e. Highly satisfied

28. Access to Capital – Loans, Grants, Crowdfunding, etc

- a. Highly unsatisfied
- b. Unsatisfied
- c. Neutral
- d. Satisfied
- e. Highly satisfied

29. Business Network Connections

- a. Highly unsatisfied
- b. Unsatisfied
- c. Neutral
- d. Satisfied
- e. Highly satisfied

30. Linkages to Strategic Partners/Investors

- a. Highly unsatisfied
- b. Unsatisfied

- c. Neutral
 - d. Satisfied
 - e. Highly satisfied
31. Marketing Assistance
- a. Highly unsatisfied
 - b. Unsatisfied
 - c. Neutral
 - d. Satisfied
 - e. Highly satisfied
32. General Legal Services
- a. Highly unsatisfied
 - b. Unsatisfied
 - c. Neutral
 - d. Satisfied
 - e. Highly satisfied
33. Comprehensive Business Training
- a. Highly unsatisfied
 - b. Unsatisfied
 - c. Neutral
 - d. Satisfied
 - e. Highly satisfied
34. Human Resources
- a. Highly unsatisfied
 - b. Unsatisfied
 - c. Neutral
 - d. Satisfied
 - e. Highly satisfied
35. Product Design & Development
- a. Highly unsatisfied
 - b. Unsatisfied
 - c. Neutral
 - d. Satisfied
 - e. Highly satisfied
36. Office/Incubator Space Resources
- a. Highly unsatisfied
 - b. Unsatisfied
 - c. Neutral
 - d. Satisfied
 - e. Highly satisfied
37. Personal Development/Training
- a. Highly unsatisfied
 - b. Unsatisfied
 - c. Neutral
 - d. Satisfied
 - e. Highly satisfied

EXHIBIT E

[Grant Submittal Package Form]

Pioneers 21, Inc. believes that it has substantially met its obligations under the Chapter 380 Agreement dated the _____ day of _____, 20___. 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. Current Performance Metric Report
2. All appropriate and substantiating documents detailing eligible reimbursement amount requested.
3. All contract information as required per Section 4.

It is understood by **Applicant** that the City of El Paso has up to **ninety (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.

Pioneers 21, Inc.

Name: _____
Title: _____



Strategic Plan FY 2022-2024

Access to Capital: Objectives FY 2022-2024	Measurable Outcomes of Success	Timeline
Credit/Financial education workshops 1x per quarter in collaboration with Liftfund.	Attendees assisted with education on credit application process to mirror 5 C's of credit	Quarterly
Identify and prepare applicant deal flow to Liftfund first, then local banks, credit unions, or other CDFIs (such as PeopleFund and Project Vida)	Applicants assisted with follow up on application progress throughout the year	Quarterly
Identify and prepare applicants deal flow to SABA Investments, Sun Cruces Angels, and integrate into investor networks.	Partnerships developed and the outcomes of those partnerships	Annual
Identify and prepare applicants for regional pitch competitions that provide funding opportunities, P21 Board Pitch Night, specifically Mass Challenge Texas, Dia de los Muertos, and UTEP Blackstone Pitch Competitions.	Connections to leading experts and mentors, possible cash prizes, no cost Venture Mentor Service	Annual
Attracting Clients: Objectives FY 2022-2024	Measurable Outcomes of Success	Timeline
Provide incubator service and co-working space, infrastructure, operational support services, customized startup coaching & mentoring for startups and small biz, strategic support and partnerships at a low cost.	# of affiliate clients/# of new clients	Quarterly <ul style="list-style-type: none"> •6 stages, up to 7 modules within each stage •Accelerated process •Global best practices •Innovative methodologies and tools •Custom collaborative workspace & dashboard •24/7 Portal Access •Support mechanism for resilient business practices
Offer Venture Mentor Service Modeled after the 20-year-old MIT Venture Mentoring Service program, VMS incorporated proven principles and methodologies to develop a mentoring program which delivers business guidance in a trusted environment and help turn ideas into a profitable venture.	# of qualified ventures/mentees	Annual
Ecosystem referrals to help stimulate access to support	# client referrals from partner organizations such as TechHub, Borderplex, FabLab, SBDC, Chambers, UTEP Blackstone Launchpad, AI Latinos in Society partners	Quarterly
Increase awareness of programs and services (social media and email marketing campaigns, public speaking engagements, strategic PR campaigns, word of mouth, search engines, current clients, Board of Directors) depending on budget and human capital	# of inquiries	Annual
Civic/Community Engagement: Objectives FY 2022-2024	Measurable Outcomes of Success	Timeline
Educate the general public (client and non-client) to use innovation methodologies, disciplines and tools such as design thinking, lean start up, and business model design across all industries and phases of the innovation process.	# of general public educated (i.e. attendance rates of events and workshops)	Quarterly
Educate/Incubate women and minority founders	# of women/minorities trained/educated	Quarterly
Educate the general public (client and non-client) with basic legal information for startups and entrepreneurs	#of general public educated (i.e. attendance rates of events and workshops)	Quarterly
Offer Venture Mentor Service Modeled after the 20-year-old MIT Venture Mentoring Service program, VMS incorporated proven principles and methodologies to develop a mentoring program which delivers business guidance in a trusted environment and help turn ideas into a profitable venture	# of mentees	Annual
Joint marketing efforts *partners available upon request	# of events with peer ecosystem organizations	Quarterly
Other focus areas not typically in our agreement: Objectives FY 2022-2024	Measurable Outcomes of Success	Timeline
Prepare UTEP Blackstone Launchpad for Grand Pitch Competition through workshops on market research, minimal viable product, validation, customer discovery, and pitch practice.	#of enrollees and innovators trained	Per semester
Increase performance for women and minorities	# of women/minorities trained/educated/startup launched	Annual
The Bridge Accelerator	# of ventures	Annual
Provide UTEP and EPCC students with internship opportunity volunteer hours	Volunteer hours accrued and #of paid and non-paid internships	Annual
Community/Regional/Global speaking engagements	# of speaking engagements	Annual
Funding source/Grant/Sponsor (we will continue to build relationships that create opportunities for new funding sources)	Timeline	
The Bridge Accelerator	Jan-22	
Sotoak Realty and Miguel Fernandez, SABA	Jan-22	
UTEP Blackstone Launchpad	Fall/Spring Semester	
SBA EDA: ARPA Economic Adjustment	Jan-22	
Rockefeller Foundation	Spring 2022	
Aspen Institute Latinos in Society	As opportunities arise	
El Paso group		
Google	Jan-22	
Bank of America	Summer 2022	
El Paso County ED	Summer/Fall 2022	
First Light FCU, United Bank, Wells Fargo	Pending	
Innovation Awards	Pending	
EP Giving Day	Fall 2022	