

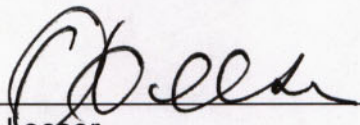
RESOLUTION

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

That the Mayor is hereby authorized to sign, on behalf of the City of El Paso, the First Amendment to an Interlocal Agreement between the City of El Paso (the "City") and the El Paso Downtown Management District (the "District") in order to amend the contribution cap on the City's proportionate share of costs for Sanitation Services. For Group A Services, the annual payment cap will increase from \$147,350 to \$195,167. For Group B Services, the annual payment cap will increase from \$86,125 to \$116,870.

APPROVED this 7 day of NOVEMBER, 2023.


CITY OF EL PASO, TEXAS



Oscar Leeser
Mayor

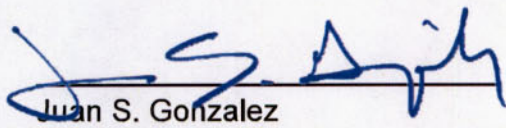


ATTEST:



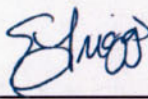
Laura D. Prine
City Clerk

APPROVED AS TO FORM:



Juan S. Gonzalez
Senior Assistant City Attorney

APPROVED AS TO CONTENT:



Elizabeth Triggs, Director
Economic and International
Development

STATE OF TEXAS § **FIRST AMENDMENT TO**
 § **INTERLOCAL AGREEMENT**
COUNTY OF EL PASO §

This First Amendment to Interlocal Agreement ("Amendment") is entered into on this 7 day of NOVEMBER, 2023 by and between the City of El Paso, Texas, a home-rule municipal corporation, ("the City") and the El Paso Downtown Management District ("DMD"), a Texas Municipal Management District, organized under Texas Local Government Code Chapter 375.

WITNESSETH:

WHEREAS, Chapter 791 of the Texas Government Code authorizes local governments and political subdivisions, including the City and the DMD, to contract with each other to perform governmental functions and services; and

WHEREAS, Section 375.092(i) of the Texas Local Government Code expressly authorizes Municipal Management Districts to enter into agreements with other public entities, including municipalities; and

WHEREAS, in accordance with Section 375.001(c), the DMD desires to implement activities to preserve, maintain, and enhance the economic health and vitality of the downtown El Paso area; and

WHEREAS, the City and the DMD believe that a cooperative agreement between the parties will provide a mutual benefit to both entities and serve the governmental purposes of stimulating commercial development and business activity in the downtown area; and

WHEREAS, on September 29, 2020, the City and the DMD entered into an Interlocal Agreement ("Agreement") to authorize the DMD to perform certain services, subject to the terms of the agreement; and

WHEREAS, the parties wish to adjust the City's contribution to the Sanitation Program in response to the rising cost-of-service delivery; and

WHEREAS, the City and the DMD have the authority to enter into this agreement, and have each entered into this agreement by the action of its governing body in the appropriate manner prescribed by law.

NOW THEREFORE, KNOW ALL BY THESE PRESENTS THAT:

For and on behalf of the general public good and the mutual covenants and promises hereinafter set forth in this Agreement, the parties agree as follows:

Section 1. Portions of Section 4.2.4 of the Agreement are amended in their entirety to read as follows:

4.2.4.1. **Group A Services.** For “Group A” services identified in Subsection 4.1.1, the City shall pay to the District an annual amount that will now be capped at \$195,167.00 or 100 percent of the District’s actual costs for provision of Group A services plus a 15 percent management fee, whichever is less.

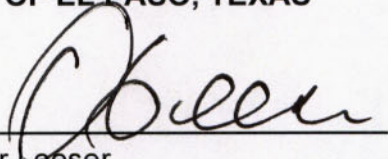
4.2.4.2. **Group B Services.** For “Group B” services identified in Subsection 4.1.2, the City shall pay to the District an annual amount not to exceed \$116,870.00 or 50 percent of the District’s actual costs for provision of Group B services without any additional profit or overhead charge by the District, whichever is less.

Section 2. Except as amended in this Amendment, all terms of the Agreement remain in full force and effect.

(signatures begin on following page)

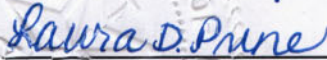
IN WITNESS WHEREOF, the Parties have executed this Agreement on this
7 day of NOVEMBER, 2023.

CITY OF EL PASO, TEXAS



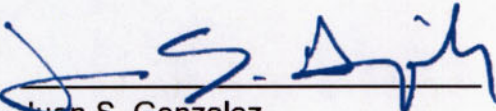
Oscar Leeser
Mayor

ATTEST:




Laura D. Prine
City Clerk

APPROVED AS TO FORM:



Juan S. Gonzalez
Senior Assistant City Attorney

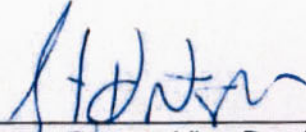
APPROVED AS TO CONTENT:



Elizabeth Triggs, Director
Economic and International
Development

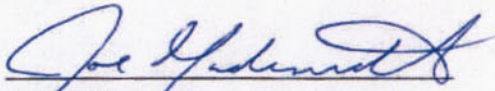
(signatures continue on following page)

**EL PASO DOWNTOWN MANAGEMENT
DISTRICT:**



Steve Ortega, Vice-President
Board of Directors

ATTEST:



Joe Gudenrath
Executive Director

DMD Interlocal Renegotiation Request – Sanitation Expenses

Background

Historically, the City of El Paso has provided a variety of sanitation services within Downtown El Paso. These services include but are not limited to service of pedestrian trash cans, graffiti/tag removal, illegal dumping remediation, and street sweeping. In 1997, the El Paso Downtown Management District was created by property owners to supplement existing services and provide additional projects, programs, and services to support Downtown property and business owners. Sanitation was and is a major focus of the DMD, which created opportunities for the City and DMD to cooperate in the delivery of services.

Current Interlocal Agreement

The current Interlocal Agreement entered into in 2020, facilitates the delivery of City services by the DMD in exchange for compensation, and the sharing of expenses related to supplemental sanitation efforts desired by both the DMD and City. The DMD is the preferred partner for service delivery due to its invested interests in the success of Downtown El Paso, its daily presence in the area and its already established Sanitation Program. At the time the agreement was entered into, many uncertainties existed due to the pandemic that was occurring at that time. Due to those uncertainties, language was added into the Interlocal Agreement that would allow renegotiation of the terms of the agreement.

Recent Impacting Factors

The cost-of-service delivery for services included in the 2020 Interlocal Agreement was based on previous expenses and a longstanding relationship the DMD has with the El Paso County Community Supervision and Corrections Department (CSCD). The agreement with CSCD allows for individuals to perform court ordered community service as members of the DMD Sanitation Program. Prior to the pandemic, this relationship would produce anywhere between 6 to 12 individuals to work each of the DMD’s 15 weekly shifts. Not only did the pandemic cause the suspension of the CSCD program from March 2020 to December 2021, but since the program resumed, participation has averaged less than 1 individual per shift. The lack of program participation has forced the DMD to hire additional staff to provide the services outlined in the Interlocal Agreement.

In addition, the DMD has faced the same challenges all businesses and non-profits have faced including the increasing cost of materials and supplies, and the increased costs to staff and maintain a workforce.

Budget Changes

The DMD estimates its overall Sanitation Program expenses for FY2023-2024 to grow to \$422,907. That’s an increase of \$169,304 or 67% since FY2019-2020. To continue to deliver the same, high-level Sanitation Services within Downtown El Paso in a safe and effective manner, the DMD requires the City of El Paso fee for services increase an additional \$75,562 to \$312,037 annually. The table below reflects the increased costs based on the current Interlocal Agreement.

	Current Agreement		Renegotiated Terms		Difference
	City Portion	DMD Portion	City Portion	DMD Portion	
Group A Services (City Services)	\$128,131		\$169,711		\$41,580
Group B Services (Supplemental Services)	\$86,125		\$116,870		\$30,745
		\$86,125		\$116,870	\$30,745

Subtotal Service Delivery Costs	\$300,381			\$400,451		
DMD Management Fee for Group A Services	\$19,219			\$25,456		\$6,237
Total Service Delivery Costs	\$233,475	\$86,125		\$312,037	\$116,870	

In the first three years of the Interlocal Agreement, as the program costs began to rise, the DMD assumed responsibility for increased costs associated with program delivery but can no longer continue this trend.

The table below reflects the driving factors for the increase in the DMD's overall Sanitation Budget expenses.

Item	FY2019-2020	Est. FY2023-2024	Difference
Wages	\$134,646 (3 FTE & 1 PTE)	\$228,277 (3FTE & 5PTE)	\$93,631 (Up 70%)
Fuel/Supplies/Maintenance	\$25,894	\$48,773	\$22,879 (Up 88%)
Program Operations (payroll taxes, insurance, management, reporting, etc.)	\$93,063	\$145,857	\$52,794 (Up 57%)
TOTALS	\$253,603	\$422,907	\$169,304 (Up 67%)

Please note that the figures represented in this table are based on estimates for the DMD's FY2023-2024 budget which will be presented to the DMD Board of Directors for approval on August 24, 2023. Figures are subject to change.