



Regular Session Item 22:

Proposed Chapter 380 Economic Development Agreement

L&F Distributors, LLC

9525 Escobar Dr., El Paso, TX 79907

Economic & International Development
August 15, 2023

Goal 1: Create an Environment Conducive to Strong, Sustainable Economic Development
1.1 Stabilize and expand El Paso's tax base



Project Summary: L&F Distributors, LLC

Applicant:

L&F Distributors, LLC

Property Address:

9525 Escobar Dr.

Real Improvement Costs:

\$31,050,000

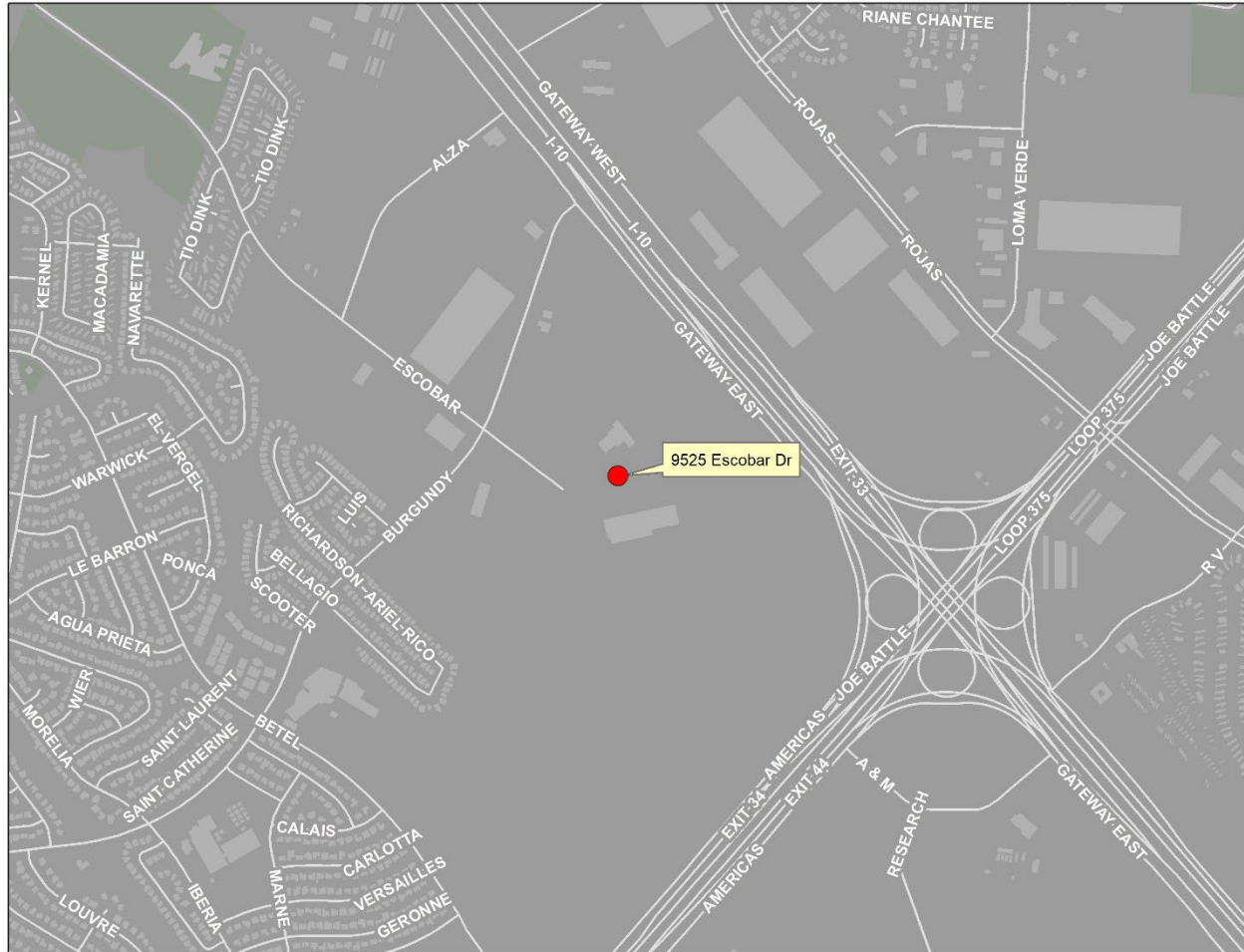
District: District 7

Proposal: Business Expansion

Moving from 6949 Market Ave. to construct a new facility which will result in **30 new full-time jobs**



Site Location & Design: 9525 Escobar Dr.



Project Highlights

- 225,000 SF distribution facility
- 7,500 SF vehicle maintenance facility
- 2-story corporate office building
- **Retain 174** and **create 30 FTEs**
- Median wage of **\$17.69 per hour***

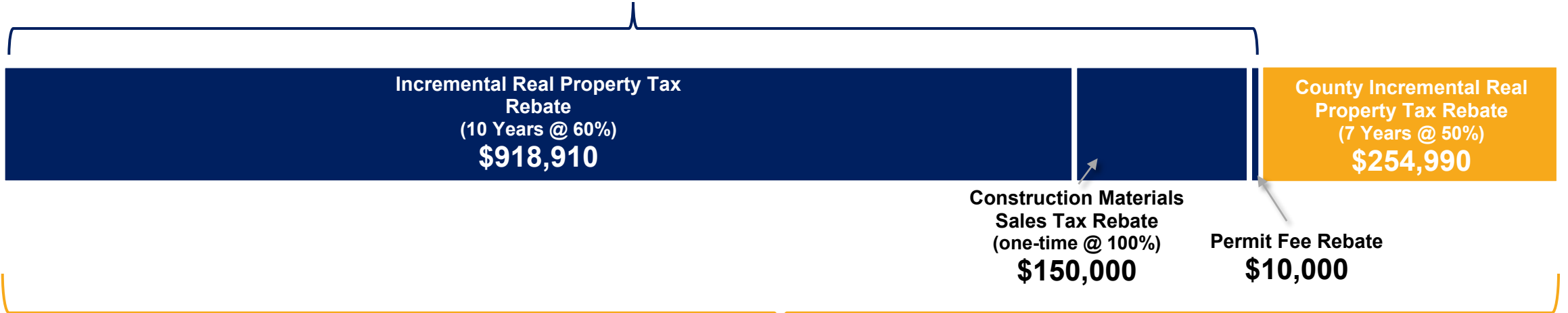


*Median Hourly Wage in El Paso MSA is \$16.43

Proposed Incentive: L&F Distributors, LLC

Total City Incentive = \$1,078,910

(81% of total local incentive proposal)



Total Local Incentive = \$1,333,900

(3.9% of total investment)

Economic Impact: L&F Distributors, LLC

	Current Operations	Expanded Operations	Total Operations
Jobs*			
Direct	174	30	204
Spin-Off	253	44	297
Jobs Total	427	74	501
Salaries (\$M over 10-Year incentive term)			
Direct	\$78.6	\$16.1	\$94.7
Spin-Off	\$59.4	\$12.1	\$71.5
Salaries Total	\$138.0	\$28.2	\$166.2

- Project operations directly support 204 jobs and annual salaries of nearly \$94.7 million.
- Through spending, an additional 297 jobs are supported.
- In total, 501 jobs are supported by the project, representing \$166.2 million in annual salaries.



*Jobs is reflective of Job-Years



Economic Impact: L&F Distributors, LLC

Job & Wage Breakdown

Retain 174 and create 30 new FTEs

- Maximum - \$47.57/hr
- Minimum - \$16.43/hr
- Median - \$17.69/hr
- Average - \$25.29/hr

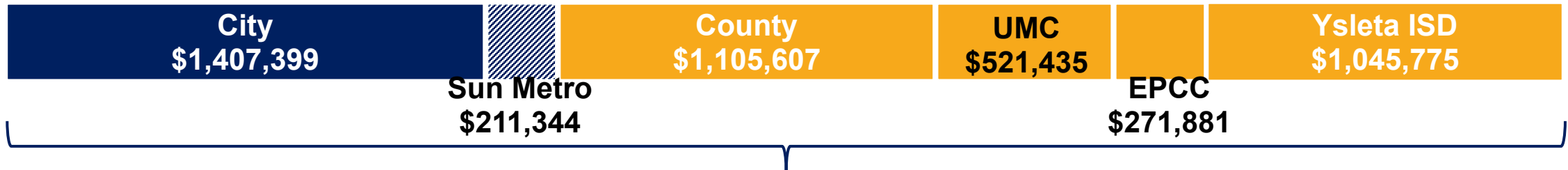


*Jobs is reflective of Job-Years



Community Tax Benefit: L&F Distributors, LLC

10-Year Total Tax Benefit after Incentives as a Result of Expansion*



Total Tax Benefit after Incentives Over 10-Year Term = \$4,463,442



*Estimated tax benefit includes all sources of government revenue from the expansion and the households the expansion supports; costs associated with government services are not included needed to support the expansion and households are not included.

Next Steps & Recommendation:

L&F Distributors, LLC

- Incentive proposal aligns with the City's 380 Incentive Policy given the project location, investment, quality job creation/retention + target industry (logistics).
- After incentive value and the cost of government services, the project's expansion provides a net benefit to the City.
- **Recommendation:** Move forward with approval of a Chapter 380 Agreement for consideration by City Council.

MISSION



Deliver exceptional services to support a high quality of life and place for our community

VISION



Develop a vibrant regional economy, safe and beautiful neighborhoods and exceptional recreational, cultural and educational opportunities powered by a high performing government



VALUES

Integrity, **R**espect, **E**xcellence,
Accountability, **P**eople