

**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:

REVISED

2:00 pm, Dec 04, 2025

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)

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 promote economic development within El Paso Electric’s (“EPE”) Texas Service Area through various programs, including Infrastructure Development Assistance and Quality Jobs and Investment Assistance; and

WHEREAS, the Investment Assistance Program provides financial support to companies expanding or establishing operations within EPE’s Texas Service Area; and

WHEREAS, Rancho Del Rey IC, LLC (“Company”) has made multiple commitments to create net-new jobs and investment in the EPE Texas Service Area; and

WHEREAS, the Company retained Kimley-Horn and Associates, Inc. to prepare a drainage study for the Rancho Del Rey Logistics Park, a 227.3-acre phased development south of I-10 along Loop 375 in El Paso, Texas, to support future industrial growth and protect surrounding properties from flooding (collectively, the “Drainage Channel Pond” or “Project”); and

WHEREAS, the City agrees to provide financial assistance to the Company in the form of a grant totaling \$2,325,000 (“Grant Funds”) from the TED Program Fund for the *Rancho Del Rey Project* as detailed in *Exhibit A* of the Texas Economic Development Incentive Program Fund Agreement (“TED Agreement”).

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; and

THAT the City Council finds that the *Rancho Del Rey Project* meets the requirements of the TED Program and provides a sufficient net positive impact to EPE’s Texas Service Area; and

THAT the City agrees to provide Grant Funds to the Company totaling \$2,325,000 from the TED Program Fund for the *Rancho Del Rey Project*; 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 _____ 2025.

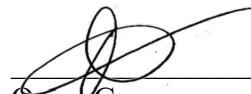
THE CITY OF EL PASO:

Renard U. Johnson
Mayor

ATTEST:

Laura D. Prine
City Clerk

APPROVED AS TO FORM:



Oscar Gomez
Assistant City Attorney

APPROVED AS TO CONTENT:



Karina Bragalla, Director
Economic & International Development

STATE OF TEXAS §
COUNTY OF EL PASO §

TEXAS ECONOMIC DEVELOPMENT (TED) INCENTIVE PROGRAM FUND AGREEMENT

This **TEXAS ECONOMIC DEVELOPMENT (TED) INCENTIVE PROGRAM FUND AGREEMENT** (“Agreement”) is entered into by and between the **CITY OF EL PASO, TEXAS** (the “City”), a home-rule municipality organized under the laws of the State of Texas, and **RANCHO DEL REY IC, LLC**, a Delaware limited liability company (“Company”) on this _____ day of _____, 2025 (the “Effective Date”). The City and the Company are sometimes referred to herein collectively as the *Parties* and each individually as a *Party*.

1. PURPOSE

The Company retained Kimley-Horn and Associates, Inc. to prepare a drainage study for the planned Rancho Del Rey Logistics Park, a 227.3-acre site located south of I-10 along Loop 375 in El Paso, Texas. The project will be developed in phases, starting with Phase 1, which includes three buildings, a roadway, and two retention ponds, as show in *Exhibit A* (collectively, the “Drainage Channel Pond” or “Project”).

This Project will pave the way for future industrial expansion—driving economic growth—while safeguarding adjacent properties and infrastructure from flooding. It will enhance long-term regional stormwater management and resilience, support the creation of approximately 8,300 construction jobs, and ultimately generate around 2,000 full- and part-time positions, bolstering El Paso’s logistics competitiveness.

2. FUNDING AMOUNT

In accordance with a resolution approved by the City Council of the City (the “City Council”) on January 19, 2021, the City has established the Texas Economic Development Incentive Program (“TED Program”) Policy and Guidelines (“TED Policy”), which are incorporated herein by reference, pursuant to which the City may offer economic 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.

The City agrees to provide financial assistance to the Company in the form of a grant totaling \$2,325,000 (the “Grant Funds”) *over a 5-year period* from the TED Program Account. The grant shall be disbursed in equal yearly installments of \$465,000. The Project is situated within El Paso Electric’s Texas service area and is expected to

generate over 100 net new jobs. Additionally, it will benefit nearby properties and landowners, creating opportunities for further economic investment and job growth in the surrounding area.

3. COMPANY OBLIGATIONS, GOALS, AND COMMITMENTS

3.1. Compliance with TED Program Policy.

The Company shall at all times comply with the TED Program Policy and Guidelines and acknowledges that the TED Policy establishes eligibility criteria, prohibited uses, anti-corruption requirements, and reporting obligations applicable to all recipients of TED funds. Failure to comply with any material provision of the TED Policy shall constitute an Event of Default under this Agreement and may trigger the recapture provisions of Section 8.

3.2 Annual Reporting.

The Company shall submit an annual report detailing the status of the project, including progress on development activities, tenant build-out and commitments, and infrastructure improvements such as roadways, utilities, and drainage facilities. The report shall also include information regarding the project's standing with the City of El Paso, including but not limited to property tax payments, permitting status, and compliance with applicable City requirements. In addition, the report shall provide data on job creation associated with the project, identifying both construction and permanent employment generated to date.

3.3 Performance Obligation / Development Milestone.

The Company shall complete construction of the Drainage Channel Pond, as described in the approved Project plans, no later than the final year of this Agreement and prior to the City's issuance of the final Grant Fund payment. Completion shall be evidenced by all required permits, inspections, and certifications demonstrating that the Drainage Channel Pond has been constructed in accordance with applicable standards and approved plans.

3.4 Stakeholder Coordination and Reporting.

Collaborate with City staff to share project findings and operational data with key stakeholders and decision-makers. Ensure that the Company's logistical needs, challenges, and proposed solutions are effectively incorporated into the City's overall mobility, infrastructure, and planning initiatives.

4. PAYMENT TERMS

The City shall disburse the initial Grant Funds to the Company within 90 days of the execution of this Agreement, subject to the receipt of all necessary documentation described herein and compliance with the terms herein. Additional annual payments commencing in 2026 will be paid out within 60 days of the Company's submission of the reporting set forth in Section 3.1.

5. TERM

This Agreement shall commence on the Effective Date and shall continue in effect for the project duration of 5 years, unless terminated earlier in accordance with the provisions herein.

6. DEFAULT, REMEDIES, AND TERMINATION

6.1 General Default.

A Party shall be in default under this Agreement if it breaches any material term or condition, and such breach remains uncured after 60 calendar days following receipt of written notice from the non-breaching Party specifying the breach and the required curative action. If the breaching Party has diligently and continuously attempted to cure the breach but requires more than 60 calendar days, an extension shall be granted for the time reasonably necessary to effect the cure. If the breach remains uncured after the applicable period, the non-breaching Party may exercise the remedies set forth in Section 6.2 and 6.3 respectively.

6.2 City's Remedies in the Event of Default.

The City's sole remedy in the event of Company's uncured breach or default under this Agreement, the City may, at its sole option and without waiving any other rights or remedies available at law or equity: terminate this Agreement by written notice to the Company; suspend or withhold further disbursement of Grant Funds until the default is cured; recapture all or prorated portion of previously disbursed Grant Funds; and pursue any other remedies permitted by law to enforce the City's rights under this Agreement.

6.3 Company's Remedy in the Event of Breach.

In the event of the City's uncured breach of any obligation under this Agreement, the Company shall have the right to specifically enforce performance of the City's obligations hereunder.

6.4 Mutual Waiver of Consequential Damages.

To the extent permitted by law, each Party hereby waives all claims against the other Party for any consequential or indirect damages that may arise out of or relate to this

Agreement; provided, however, that nothing in this Section shall (a) limit or impair the City's right to recapture Grant Funds; or (b) be construed as a waiver of the City's governmental or sovereign immunity, which is expressly retained.

6.5 The City may terminate this Agreement for convenience and without the requirement of an Event of Default, by providing written notice to the Company. The City may also terminate this Agreement which shall become effective immediately if any state or federal statute, regulation, case law, or other law renders this Agreement ineffectual, impractical, or illegal, such as this Agreement, is an unconstitutional debt, or at any time for the City's convenience, without cause and without penalty, upon written notice to the Company.

7. COMPLIANCE WITH LAWS, ORDINANCES, RULES AND REGULATIONS

This Agreement will be subject to all applicable federal, state and local laws, ordinances, rules and regulations.

8. RECAPTURE

Should the Company default under *Section 6* of this Agreement and provided that the Cure Period for such default has expired, the City may, at sole discretion of the City Manager, require that all or a portion of the Grant Funds provided pursuant to this Agreement be recaptured and repaid by the Company previously provided by the City within 60 days from the date of such termination and written notice. The determination of whether recapture is necessary may take into account the nature of the default, the Company's risk profile, and any other factors deemed relevant by the City.

9. GENERAL PROVISIONS

9.1 *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.

9.2 *Assignment of Company's Rights.* Company understands and agrees that the City expressly prohibits Company from selling, transferring, assigning, or conveying in any way any rights to receive the Grant Funds 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 Company to cure. For purposes of this Agreement, the term *Affiliate* means for any person or entity identified in this Agreement 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 or membership interests 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 or membership interests, by contract or otherwise, and the terms *controlling* and *controlled* have meanings correlative to the foregoing control as herein defined. Notwithstanding the foregoing, Company may assign this Agreement to an Affiliate without the City's consent, provided that Company gives the City prior written notice of such assignment.

9.3 *Company's Sale or Transfer of the Development.* Upon Company's sale or other transfer of fee ownership rights in the Project during the term of this Agreement, Company shall notify the City in writing of such sale or transfer within 30 business days after the closing of such sale or consummation of such 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.

9.4 *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 Company will procure all licenses and pay all fees or other charges as required to complete the Work under this agreement.

9.5 *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 Company if a request relating to such proprietary information is received. Company 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 Company as a basis for nondisclosure.

9.6 *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.

9.7 *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.

9.8 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. Company shall provide all required invoices and other required documentation to City electronically at the following address:

EDcompliance@elpasotexas.gov.

COMPANY: Rancho Del Rey IC, LLC c/o Sansone Group, LLC
Attn: Sansone Group LLC
120. S Central Ave. Suite 500
St. Louis, MO 63105

Copy To: Raith Capital Partners, LLC
666 4rd Avenue, Suite 1701
New York, NY 10017

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

9.9 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.

10. ENTIRETY OF AGREEMENT

This Agreement, including any exhibits attached hereto and any documents incorporated herein by reference, contains the entire understanding and agreement between the Parties as to the matters contained herein. Any prior or contemporaneous oral or written agreement is hereby declared null and void to the extent in conflict with any provision of this Agreement, and superseded by this Agreement. Notwithstanding

anything to the contrary herein, this Agreement shall not be amended unless executed in writing by both Parties and approved by the City Council.

/SIGNATURES APPEAR ON THE FOLLOWING PAGE/

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

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 of Economic and
International Development

**RANCHO DEL REY IC, LLC, a
Delaware limited liability company**

By: _____
Name: Alejandro Castro
Title: Authorized Person

EXHIBIT “A:

Development Masterplan of RANCHO DEL REY

