

**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:

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

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

That the City Manager be authorized to execute a Chapter 380 Economic Development Program Agreement (“Agreement”) by and between the City of El Paso, a home-rule municipality (the “City”) and Schneider Electric USA, Inc., a Delaware Corporation (the “Applicant”), for the expansion of its operations within the city limits of the City of El Paso.

APPROVED this _____ day of _____ 2025.

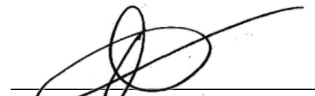
CITY OF EL PASO:

Renard U. Johnson
Mayor

ATTEST:

Laura D. Prine
City Clerk

APPROVED AS TO FORM:



Oscar Gomez
Assistant City Attorney

APPROVED AS TO CONTENT:



Karina Brasgalla, 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 this ____ day of _____, 2025 between the **CITY OF EL PASO, TEXAS** a Texas home-rule municipal corporation, (the “**City**”) and **Schneider Electric USA, Inc.**, a Delaware Corporation (the “**Applicant**”), for the purposes and considerations stated below. The City and Applicant may hereinafter be collectively referred to as the *Parties* and individually as the *Party*.

WHEREAS, the City desires to provide an incentive to Applicant to support the Development, pursuant to Chapter 380 of the Texas Local Government Code (“Chapter 380”) and Article 3, Section 52A of the Texas Constitution; and

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

WHEREAS, the City and Applicant desires to provide incentives to the Applicant, pursuant to Chapter 380, for the construction of a development located on the real property at *1625 N. Resler Drive, El Paso, Texas, 79912*, more fully described below and in *Exhibit A* and *A-1* attached hereto (the “**Development**”), and the Applicant wishes to receive the incentives in exchange for compliance with the obligations set forth herein; 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 and around the City; and

WHEREAS, the Development will likely encourage increased economic development within and around 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 general public within and around of El Paso, Texas; and

WHEREAS, the City has concluded and hereby finds that this Agreement embodies an eligible *program* and promotes economic development within and around the City of El Paso and meets the requirements under Chapter 380 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 term *Agreement* means this Chapter 380 Economic Development Program Agreement, together with all exhibits attached and incorporated herein by reference.
- B. **Applicant.** The term *Applicant* means *Schneider Electric USA, Inc.*, a Delaware Corporation.
- C. **Applicant Affiliate.** Means with respect to Applicant, any other person or entity that, directly or indirectly, controls, is under common control with, or is controlled by Applicant. For purposes of this definition, the term *control* shall mean the possession, directly or indirectly, of the power to direct or cause the direction of management, policies or activities of a person or entity, through ownership of voting securities or through partnership interest.
- D. **Base Year Value.** The term *Base Year Value* shall mean the value of the real property and improvements on the tax rolls as of January 1st of the year 2024. The Base Year Value shall not be interpreted to be equivalent or determinative for appraisal purposes or used in any way to determine market value is executed. For the purposes of this agreement, the Base Year Value is \$1,113,812.
- E. **Construction Materials Sales Tax Rebate.** The term *Construction Materials Sales Tax Rebate* shall mean a one-time 100% rebate of the City's 1% Sales and Use Tax from receipts for materials and labor of taxable items used in the construction of the Development. The determination of whether a particular receipt or transaction qualifies for Sales and Use Tax eligibility shall be based on the criteria established under Chapter 321 of the Texas Tax Code. All receipts or transactions submitted for rebate consideration must comply with these criteria and shall be collectively evaluated by the City for rebate eligibility. The Construction Materials Sales Rebate shall not exceed \$128,665.
- F. **Development.** The term *Development* means the plant expansion located at 1625 N. Resler Dr., El Paso TX 79912 and as more fully described on *Exhibit A* and *A-1*, which is attached and incorporated herein for all purposes.
- G. **Development and Building Fee Rebate.** The term *Development and Building Fee Rebate* means a one-time 100% rebate of certain development fees, the rebate shall not exceed \$100,000. The Development and Building Fee Rebate shall be limited to the lesser of: (i) the development and building fee costs associated with the construction of the Development or (ii) the Development and Building Fee Rebate Cap. Under no circumstances shall the City rebate reinspection and other building and inspection penalty fees associated with the development and construction of the Development.

- H. **Development Location.** The term *Development Location* shall mean within the geographic boundaries of the City of El Paso and more particularly described in *Exhibit A* and *Exhibit A-1*, which is attached hereto and incorporated herein for all purposes.
- I. **Effective Date.** The term *Effective Date* means the date on which the last Party signs the Agreement.
- J. **Existing Facilities.** The term *Existing Facilities* mean Applicant's existing facilities located at 1600, 1601 & 1701 Northwestern Drive, 6500 North Desert Blvd. and 7801 Northern Pass, in El Paso, Texas, and any new facility (other than the Development) that Applicant or any Applicant Affiliate own or operate in El Paso, Texas.
- K. **Full-Time Employment.** The term *Full-Time Employment* means a job in El Paso that:
1. Is created and/or retained by the Applicant, where the employee is on active status and on the payroll of the Applicant on the last day of the reporting calendar year;
 2. Maintains employment where an employee must work or be paid no less than an average of 35 hours a week, calculated as total hours paid/number of weeks worked = 35 or more hours worked (or paid) per week; and
 3. Has the opportunity to participate in Applicant's employee benefits programs, including Applicant's health plan, with such jobs being located at the Development or the Existing Facilities, within the City of El Paso, Texas.
 4. These requirements are more completely described in *Exhibit B*, which is attached hereto and incorporated herein for all purposes.
- L. **Grant.** The term Grant means each annual payment to the Applicant under the terms of this Agreement computed as the sum of the applicable rebates: (i) Construction Materials Sales Tax Rebate; (ii) Development and Building Fee Rebate; and (iii) Property Tax Rebate. For purposes of this Agreement, the aggregate Grant payments will not exceed \$2,145,287.
- M. **Grant Submittal Package.** The term *Grant Submittal Package* means the documentation required to be supplied to City as a condition of receipt of any Grant, with such documentation more fully described in *Exhibit C*, which is attached hereto and incorporated herein for all purposes.
- N. **Landlord.** The word *Landlord* shall mean Applicant's landlord under the lease for the Development and any subsidiary of Applicant's landlord or any entity affiliated with Applicant's landlord.
- O. **Minimum Investment.** The term *Minimum Investment* means costs totaling at least \$50,333,000 that the Applicant incurs directly, contracts out to third parties, self-performs, or causes its Landlord to incur as Qualified Expenditures for the Development. *Qualified*

Expenditures means those costs incurred by the Applicant, an Applicant Affiliate and/or Landlord, in the acquisition, construction or furnishing of the Development.

- P. **Personal Property Base Year Value.** The term *Personal Property Base Year Value* means the value of the non-inventory, personal property on the El Paso Central Appraisal District rolls as of January 1st of the year 2024. Under no circumstances shall the Personal Property Base Year Value be interpreted to be equivalent or determinative for appraisal purposes or to be utilized in any way to determine market value. For the purposes of this Agreement, this amount \$0. The City Manager shall have the authority to amend this subsection reflecting the value herein administratively once the City Manager receives the Property ID and its corresponding value in writing from the Applicant, and the value can be confirmed by the El Paso Central Appraisal District.
- Q. **Property Tax Rebate.** The term *Property Tax Rebate* means a rebate of a percentage of the City’s portion of: (1) the incremental ad valorem property tax revenue generated by the Development above the ad valorem property tax revenue that would have been generated at the Base Year Value for the Development for each tax year during the Grant Period; and (2) the incremental ad valorem personal property tax revenue generated by the Development above the ad valorem personal property tax revenue that would have been generated at the Personal Property Base Year Value for the Development for each tax year during the Grant Period (collectively, (1) and (2), the “Incremental Ad Valorem Property Tax Revenue”). No Personal Property ID currently exists for personal property. However, once designation becomes available, the Incremental Ad Valorem Property Tax Revenue will be determined each tax year during the Grant Period based on the ad valorem property taxes due under the tax statements issued by the El Paso Central Appraisal District for Property ID 268792 and the designated Personal Property ID, pursuant to the calculation formula described in *Exhibit D*, which is attached hereto and incorporated herein for all purposes. The Property Tax Rebate payments shall not exceed the lesser of: (i) 75% of the Incremental Ad Valorem Property Tax Revenue for the given tax year during the Grant Period; or (ii) the up to a *maximum amount* of \$1,916,622 (whichever comes first) during the Grant Period.

SECTION 2. TERM AND GRANT PERIOD.

The term of this Agreement shall be the lesser of: (i) the lease term (including any renewals) relating to the Development to be located at the Development property; (ii) 12 years from the Effective Date of the Agreement; (iii) the full payment of the Grant by the City to the Applicant, as limited by the Agreement; (iv) termination of the Agreement as otherwise provided by said agreement; or (v) termination by mutual consent of the Parties in writing (“Term”).

The Effective Date of the Agreement shall be the date upon which City Council approves the Agreement. However, the Applicant’s eligibility for Grant payments shall be limited to 10 consecutive years (the “Grant Period”) within the term of the Agreement. The Grant Period shall begin with the first year being the first tax year that begins after: (i) the issuance of the certificate of occupancy for the Development or upon the due date of the Grant Submittal Package date, whichever

comes later; and (ii) the Applicant meets all Full-time Employment job requirements as described in *Exhibit B*. Failure of the Applicant to obtain a permanent Certificate of Occupancy for the Development by December 31, 2027 shall result in the immediate termination of this Agreement, unless such failure is due to a Force Majeure or a delay caused by the City. A 6-month extension to obtain a permanent Certificate of Occupancy for the Development may be provided upon approval by the City Manager in writing.

SECTION 3. OBLIGATIONS OF APPLICANT.

A. DEVELOPMENT

1. **Development.** Applicant agrees to establish the Development in El Paso, Texas. The Applicant agrees that it or an Applicant Affiliate shall, or cause its Landlord to, commence construction of the improvements of the Development within 12 months of the Effective Date of the Economic Development Agreement. The Applicant agrees that it shall obtain a Certificate of Occupancy for the Development *no later than December 31, 2027*. Applicant agrees that it shall make, or cause its Landlord to make, Qualified Expenditures of not less than \$50,333,000 in the Development. The City shall be permitted to review Applicant's or its Landlord's receipts of Qualified Expenditures to evidence the expenditure of a minimum amount of \$50,333,000. It is anticipated that the Applicant may from time to time require or benefit from relocation or reconfiguration of personal property between the Existing Facilities and the Development Location. As such, with respect to Qualified Expenditures and the calculation of Incremental Ad Valorem Property Tax Revenue, the situs of personal property is deemed to be at the Development regardless of whether the personal property in question is physically located at the Existing Facilities or the Development Location.

Applicant shall provide all required invoices and other required documentation to City electronically at the following address: EDcompliance@elpasotexas.gov.

2. **Minimum Appraised Value; Base Year Values.** Applicant or its Landlord shall pay by January 31 of each year all of the real and business personal property ad valorem taxes due for the previous tax year on the Development and any other property owned by the Applicant within the City. The Parties agree that the taxable value of the Development, after completion of all construction and improvements, and for purposes of determining the Incremental Ad Valorem Property Tax Revenue, will have an assessed land and improvements *Base Year Value* of \$1,113,812 for Property ID 268792, located at 1625 N. Resler Dr., El Paso, TX 79912 and a *Personal Property Base Year Value* of \$0.

Applicant and its Landlord shall have the right to contest the appraised value of the Development as provided by law, however, Applicant covenants and agrees that during the Term of this Agreement after completion of construction of the Development, except in the event of a Force Majeure, it shall not challenge or permit anyone else to take actions on Applicant's behalf to challenge any assessments by the El Paso Central Appraisal District to the extent such challenge would reduce the assessed value below \$26,280,312 (the "Minimum Value"). Any such action will be deemed an Event of Default if not cured within the cure periods prescribed in Section 5 of this Agreement. For clarification, an assessment by the El Paso Central

Appraisal District of the value of the Development at an amount lower than the Minimum Value shall not constitute an Event of Default unless such assessed value lower than the Minimum Value is directly and solely attributable to a challenge by Applicant or someone on Applicant's behalf.

B. EMPLOYMENT POSITIONS

1. Applicant agrees that it shall create, staff, and maintain at least 500 Full-Time Employment positions as described in *Exhibit B* by December 31, 2028, and shall maintain the Full-Time Employment positions for the Development through the entire Grant Period of the Agreement. Furthermore, Applicant agrees that it shall retain a workforce at its Existing Facilities and the Development Location, which the Parties agree currently represents the equivalent of a minimum 1,498 Full-Time Employment positions. The Parties agree that Full-Time Employment positions shall be considered *created* if they are above the total number of Full-Time Employment positions with Applicant's operations in the City at the time this Agreement is executed (the "Threshold"). The Parties agree that the Threshold shall be equal to 1,498 Full-Time Employment positions.
2. It is anticipated that the Applicant may from time to time require or benefit from relocation or creation of Full-Time Employment positions between the Existing Facilities and the Development Location. As such, with respect to Full-Time Employment position requirements and the calculation of positions created or retained, the situs of Full-Time Employment positions is deemed to be at the Development regardless of whether the position in question is physically located at the Existing Facilities or the Development Location.
3. Applicant, during normal business hours, at its principal place of business in El Paso, shall allow the City or its agents reasonable access to Applicant's employment records and books, and other records that are related to the economic development agreement considerations and incentives described herein, to verify employment records and any other records related to the City's economic development considerations and incentives provided herein; provided, however, that the City shall not have access to, and Applicant shall not be required to provide, any information and/or documents protected by applicable law, including privacy law. 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.

C. GRANT SUBMITTAL PACKAGE AND REIMBURSEMENT REQUESTS

1. Unless otherwise agreed by the City and Applicant, the initial *Grant Submittal Package* will be due no later than April 30, 2029, for the compliance period ending December 31, 2028. Continuing every year thereafter through December 31, 2038, each year by April 30th of the subsequent year, the Applicant shall deliver to the City a compliance verification signed by a duly authorized representative of the company that shall certify the number of and generally describe the Full-Time Employment positions existing at its Existing Facilities and at the Development Location as of December 31st of the preceding year and provide the median hourly wage for all Full-Time Employment positions and as more fully described in *Exhibit C*. There will be a total of 10 annual Grant Submittal Packages due, covering jobs created, staffed, and maintained during the Grant Period. All Grant Submittal Packages shall be in the form

provided in *Exhibit C* and shall provide appropriate documentation as determined by the City for the Full-Time Employment position numbers provided and for the Threshold. A failure by Applicant to timely submit a Grant Submittal Package in accordance with this paragraph or a reimbursement request in accordance with Section 3(C)(2) below is a waiver by the Applicant to receive a Grant payment for the period covered by the late Grant Submittal Package. The City's, in its sole discretion, shall assess the completeness of the Grant Submittal Package.

2. If Applicant (or Applicant's Landlord) incurs the costs relating to the Construction Materials Sales Tax Rebate, and/or the Development and Building Fee Rebate prior to the due date of the applicable Grant Submittal Package, Applicant shall have the right to submit a request for reimbursement of such costs to the City prior to the due date of the applicable Grant Submittal Package. If Applicant submits a request to the City for reimbursement under this Section 3(C)(2), Applicant's submittal shall include documentation evidencing the costs incurred relating to the Construction Materials Sales Tax Rebate, and/or the Development and Building Fee Rebate, provided that Applicant has obtained a Certificate of Occupancy. City shall reimburse Applicant for such costs in accordance with Section 4 of this Agreement.
3. The City's determination of the amount of the applicable Grant payment due to Applicant is final if such determination is in compliance with the terms of this Agreement.

SECTION 4. OBLIGATIONS OF CITY.

During the Term of this Agreement, and so long as an Event of Default by Applicant has not occurred, the City agrees as follows:

- A. The City agrees to provide a *Construction Materials Sales Tax Rebate* not to exceed \$128,665 in accordance with the terms and provisions of this Agreement.
- B. The City agrees to provide a *Development and Building Fee Rebate* not to exceed \$100,000 in accordance with the terms and provisions of this Agreement.
- C. The City agrees to provide *Property Tax Rebates* not to exceed \$1,916,622 in accordance with the terms and provisions of this Agreement.
- D. The City will process any eligible Grant payment within *90 days* after receipt of the Applicant's complete annual Grant Submittal Package.

SECTION 5. EVENTS OF DEFAULT.

The events described in subsections (A) through (F) below shall constitute an Applicant Event of Default under this Agreement:

- A. **Failure to Comply.** Applicant's failure to comply with, or to perform any obligation or condition of this Agreement other than an obligation or condition described in subsections (B) through (F) below, and Applicant's refusal to cure within 60 days after written notice from the City describing such failure. However, if such failure cannot be cured by its nature within such 60 day period and the Applicant has commenced such cure within such 60 day period and

continuously thereafter diligently prosecutes the cure of such failure, such failure shall not be deemed an Event of Default.

- B. Failure to Maintain Development and Job Requirements.** Applicant's failure or refusal to maintain operations at the Development Location during the Grant Period or maintain the required Full-Time Employment positions pursuant to Section 3(B)(1) of this Agreement, throughout its Term, and Applicant's failure or refusal to cure within 60 days after written notice from the City describing such failure, shall be deemed an Event of Default. However, if such failure cannot be cured by its nature within such 60 day period and the Applicant has commenced such cure within such 60 day period and continuously thereafter diligently prosecute the cure of such failure, such failure shall not be deemed an Event of Default. In the event this Agreement is terminated pursuant to this Section 5(B), certain Grant payments previously provided by the City pursuant to this Agreement shall be recaptured and repaid by Applicant within 60 days from the date of such termination in accordance with Section 6.
- C. 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 30 days after written notice from the City describing the violation shall be deemed an Event of Default. If such violation cannot be cured within such 30 day period in the exercise of all due diligence, and Applicant commences such cure within such 30 day period and continuously thereafter diligently prosecute 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 30 days after Applicant learns of its false or misleading nature, such action or omission shall be deemed an Event of Default.
- D. 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 company, 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 an Event of Default. However, in the case of involuntary proceedings, if such proceedings are discharged within 60 days after filing, no Event of Default shall be deemed to have occurred.
- E. Construction of Development.** Applicant's failure to comply with its construction obligations set forth in Section 3(A)(1) of this Agreement and Applicant's failure to cure same within 90 days after written notice from the City shall be deemed an Event of Default. If such failure cannot be cured within such 90 day period and Applicant fails or refuses to commence such cure within such 90 day period, except to the extent such failure is caused by any act or failure to act on the part of the City, such actions or omissions shall be deemed an Event of Default.
- F. Property Taxes.** In the event Applicant allows any property taxes owed to the City by Applicant 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 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 Development.

- G. **City Event of Default.** City shall be in default under this Agreement if it defaults in the performance of any of its obligations under this Agreement and such failure continues uncured for a period of 30 days from and after the date Applicant notifies City of such failure. Upon a City Event of Default, Applicant shall be entitled to terminate this Agreement by written notice to City or seek any right or remedies available to it at law or in equity, to extent allowable by law, including without limitation, bringing an action to required City to specifically perform its obligations hereunder including, without limitation, a mandamus action to compel such performance.
- H. **Applicant Failure to Cure.** If any Applicant Event of Default shall occur, and after Applicant fails to cure same in accordance herewith, then this Agreement may be terminated by written notice from the City to Applicant and the City shall be entitled to recapture certain Grant payments as provided in Section 6 of this Agreement. The City’s termination and recapture rights shall be City’s sole and exclusive remedies in the event of an Applicant Event of Default.
- I. **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 paid hereunder. This limitation will apply regardless of whether or not the other party has been advised of the possibility of such damages.

SECTION 6. RECAPTURE.

Should the Applicant default under *Section 5* of this Agreement and provided that the applicable cure period for such Applicant Event of Default has expired, the City shall have the right to recapture Grant payments previously paid by the City pursuant to this Agreement pursuant to the following schedule and Applicant shall repay such recaptured Grant payments to City within *60 days* from the date of such termination:

<u>Grant Period Year in Which Recapture Occurs</u>	<u>Total Percentage of Grant Payments to be Recaptured</u>
1-3	100%
4	70%
5	60%
6	50%
7	40%
8	30%
9	20%
10	10%

SECTION 7. TERMINATION OF AGREEMENT BY CITY WITHOUT DEFAULT.

If any state or federal statute, regulation, case law, or other law renders this Agreement illegal, including any case law holding that a Chapter 380 of the Texas Local Government Code Economic Development Agreement such as this Agreement is an unconstitutional debt, then the City may terminate this Agreement for its convenience and without the requirement of an Event of Default by Applicant, which such termination shall become effective immediately upon written notice from the City to Applicant. In the event of such termination, Applicant shall be entitled to keep all Grant payments received prior to such termination. For clarification, the repeal or sunseting of Chapter 380 of the Texas Local Government Code by the Texas Legislature shall not affect the validity of this Agreement.

SECTION 8. GENERAL 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 both Parties. The City Manager may administratively amend certain parts of this Agreement with written consent of both Parties. However, any amendment that would significantly change the intent of the Parties must be presented to and approved by the City Council.
- 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 payments proceeds without the City's prior written consent. Any such attempt to sell, transfer, assign or convey rights to receive Grant payments 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 Applicant to cure.
- D. **Applicant's Sale or Transfer of the Development.** Prior to any sale or other transfer of ownership rights in the Development by Applicant, Applicant shall notify the City in writing of such sale or transfer within *30 business days* of the Applicant's knowledge of effectiveness 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 City and Applicant upon execution by all signatories hereto. Applicant and City warrant and

represent that the individuals executing this Agreement on behalf of City and Applicant have full authority to execute this Agreement and bind City and Applicant to the same.

- F. **Completion of Development.** As consideration for the agreements of the City as contained herein, Applicant agrees that it or its Landlord will diligently and in a good and workmanlike manner pursue the completion of the Development and that the construction of same will be in accordance with all applicable federal, state and local laws and regulations.
- G. **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.
- H. **Confidentiality Obligations.** The confidentiality of all records and information provided to the City by Applicant under this Agreement will be maintained in accordance with and subject to all applicable laws, including the Texas Public Information Act, Chapter 552, of the 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 Texas Public Information Act, it will promptly notify Applicant if a request relating to Applicant's information is received. Applicant represents that it understands that the Texas Public Information Act applies to information provided to the City pursuant to this Agreement and that it will need to assert the applicable exceptions to disclosure under the Texas Public Information Act if it objects to disclosure.
- I. **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 one and the same document.
- J. **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 during which such violation occurred, not later than 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 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. Applicant is not liable for a violation by any Applicant Affiliate or franchisee, or by a person with whom Applicant contracts.
- K. **Execution of Agreement.** The El Paso City Council has authorized the City Manager to execute this Agreement on behalf of the City.
- L. **Filing.** The City shall promptly file this Agreement with the Texas State Comptroller in accordance with Section 380.004 of the Texas Local Government Code.

- M. **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.
- N. **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, pandemic, quarantines, 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.
- O. **Notices.** All notices required to be given under this Agreement shall be given in writing and shall be effective when actually delivered or if 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, shall be effective five business days after deposit. Any party may change its address for notices under this Agreement by giving formal written notice to the other party, 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. The City agrees that Grant Submittal Packages may be submitted electronically by Applicant.

Applicant shall provide all required invoices and other required documentation to City electronically at the following address: **EDcompliance@elpasotexas.gov**.

APPLICANT: Schneider Electric USA, Inc.
One Boston Place, Suite 2700
Boston, Massachusetts 02108

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

- P. **Ordinance Applicability.** Applicant 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 Applicant's contractual rights or obligations under this Agreement. This Agreement shall confer no vested rights on the Development unless specifically enumerated herein.

- Q. **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.
- R. **Termination or Expiration.** Upon termination or expiration of the Term of this Agreement, Applicant or its assigns agree that the Agreement, or the values contained herein, will not be used to contest appraisal values or in the determination of the market value of the Development; and the economic development incentives established in the Agreement between the Parties shall not be considered in valuating the property for tax purposes.
- S. **Third-Party Beneficiaries.** There are no third-party beneficiaries for this Agreement.
- T. The City agrees that notwithstanding execution of this Agreement, Applicant shall continue to be eligible for Grant payments under the previous Chapter 380 Economic Development Program Agreements executed by Applicant and the City on July 15, 2014 and October 11, 2022 respectively.
- U. For clarification, costs incurred by a contractor of Applicant, of Applicant's Affiliates or of Applicant's Landlord shall be deemed to have been incurred by Applicant for purposes of this Agreement.

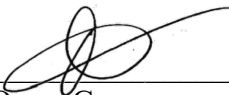
(SIGNATURES BEGIN ON THE FOLLOWING PAGE)

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective 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
Economic and International Development

APPLICANT: Schneider Electric USA, Inc.,
a Delaware Corporation

By: _____
Name: Jeff Morris
Title: Senior Director State Government Relations

EXHIBIT A

DEVELOPMENT

The proposed Development is part of a major expansion of Applicant's Existing Facilities. The incremental real property component of the Development is proposed as a proximately located standalone state-of-the-art 300,000-square foot build-to-suit facility to be developed by the Applicant's Landlord and operated under lease at 1625 N. Resler Dr. El Paso, TX 79912. The Development is estimated to require approximately 300,000 square feet of industrial facility.

The Development will significantly boost Applicant's manufacturing capacity for medium voltage switchgear, reinforcing Applicant's commitment to innovation and growth of American made products. Strategically located at the corner of Northern Pass and Resler, 1625 N. Resler Drive in El Paso, the Development will position Applicant to better integrate with its Existing Facilities while driving economic growth in the El Paso region.

Proposed rendering of the building – These are renderings from a prior project, but the new building will be following the same general motif.



EXHIBIT A-1

DEVELOPMENT LOCATION

Address: 1625 N RESLER DR EL PASO, TX 79912

Property ID: 268792

Geographic ID: N49599900600100

**Legal Description: 6 NORTHWESTERN CORPORATE CTR #5 LOT 1 (EXC WLY PT)
(15.9810 AC)**

EXHIBIT B

Employment Requirements & Property Tax Rebate Eligibility

The Applicant's compliance with these eligibility requirements shall be determined on annual basis, failure to meet the thresholds in a given year shall constitute waiver by the Applicant from receiving Property Tax Rebate payments for that specific year but will not affect eligibility for subsequent years of the Grant Period.

SECTION 1. MINIMUM JOB CREATION AND RETENTION REQUIREMENTS.

In order to be eligible for any Property Tax Rebate payment, Applicant is required to create, staff, and maintain the Full-Time Employment positions by December 31, 2026 and shall maintain the Full-Time Employment positions for the Development during the applicable time-period as set forth in Section 3(B)(1) of this Agreement.

The parties agree that Full-Time Employment positions shall be considered "created" if they are above the total number of Full-Time Employment positions with Applicant's operations in the City at the time this Agreement is executed (the "Threshold"). The Parties agree that the *Threshold shall be equal to 1,498* Full-Time Employment positions.

Should the Applicant fall below the Threshold for either the number of jobs created or retained, shall constitute waiver of Grant payment for the applicable year during the Grant Period.

SECTION 2. PHYSICAL LOCATION OF FULL-TIME EMPLOYMENT POSITIONS.

It is anticipated the Applicant may from time to time require or benefit from relocation of Full-Time Employment positions between the Existing Facilities and the Development Location. As such, with respect to Full-Time Employment positions and the calculation of positions created or retained, the situs of Full-Time Employment positions is deemed to be at the Development Location regardless of whether the position in question is physically located at the Existing Facilities or the Development Location as long as the Development Location is a significant part of the Applicant's operations relating to the jobs retained and created in accordance with this Agreement.

SECTION 3. ELIGIBILITY FOR PROPERTY TAX REBATE PAYMENTS.

The Applicant's eligibility for Property Tax Rebate payments made by the City to the Applicant shall be determined in accordance with the following criteria:

- A. Property Tax Rebate payments equivalent to 50% of the Incremental Ad Valorem Property Tax Revenue for the given tax year during the Grant Period shall be made upon the Applicant's certification in a Grant Submittal Package that:

1. At least 80% of the created and retained Full-Time Employment positions required for the applicable time period were paid wages at or above 90% of the Median Area Wage for the year covered by the applicable Grant Submittal Package.
- B. Property Tax Rebate payments equivalent to 75% or more of the Incremental Ad Valorem Property Tax Revenue for the given tax year during the Grant Period shall be made upon the Applicant's certification in a Grant Submittal Package that:
1. At least 90% of the created and retained Full-Time Employment positions required for the applicable time period were paid wages at or above 90% of the Median Area Wage for the year covered by the applicable Grant Submittal Package.

SECTION 4. MEDIAN AREA WAGE.

For purposes of this Agreement, the *Median Area Wage* is the median hourly wage established for the El Paso, Texas Metropolitan Area by the U.S. Bureau of Labor Statistics, as adjusted on January 1 of each year, for the applicable year during the Grant Period. In no event shall the applicable Median Area Wage used to determine Grant payment eligibility be less than the Median Area Wage established for the corresponding year of the Grant Submittal Package.

For clarification, the Median Area Wage shall only be used to determine the amount of Property Tax Rebate payments pursuant to Section 3 of this Exhibit, but shall not be used in determining whether an employment position constitutes a Full-Time Employment position for purposes of this Agreement.

EXHIBIT C

[Grant Submittal Package Form]

Schneider Electric USA, Inc. believes that it has substantially met its obligations under the Chapter 380 Economic Development Program Agreement dated the ____ day of _____, 2025 (the “Agreement”). Pursuant to the Agreement, **Schneider Electric USA, Inc.** 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. **[INITIAL GRANT SUBMITTAL ONLY]** Copy of reasonable documentation (which may be a construction or building permit issued by the City) to evidence that construction of the Development commenced within 12 months of the effective date of the Agreement.
2. **[INITIAL GRANT SUBMITTAL ONLY]** Copy of permanent Certificate of Occupancy.
3. **[INITIAL GRANT SUBMITTAL ONLY]** Documentation to evidence minimum Qualified Expenditures to date, including:
 - a. Stamped **PAID** invoices
 - b. Copies of checks proving payment – corresponding to paid invoices
 - c. Receipts for purchase of construction materials (must show amount of taxes paid).
 - d. Bank statements (in the event a transaction was paid with credit or debit card).
 - e. Contractor pay applications, notarized with lien releases.
4. **[INITIAL GRANT SUBMITTAL ONLY—if not previously submitted and reimbursed in accordance with Section 3(C)(2) of the Agreement]** Documentation evidencing the materials and labor of Taxable Items used in the construction of the Development eligible for rebate to Applicant under the *Construction Materials Sales Tax Rebate*.
5. **[INITIAL GRANT SUBMITTAL ONLY—if not previously submitted and reimbursed in accordance with Section 3(C)(2) of the Agreement]** Documentation to evidence the amount of development and building fees paid relating to the Development eligible for rebate to Applicant under the *Development and Building Fee Rebate*.
6. Full-Time Employment positions verification plus attachment(s) as referenced in Section 3(C)(1) of the Agreement.
7. Property tax payment receipts showing proof of payment for the immediately preceding tax year.

It is understood by *Schneider Electric USA, Inc.* that the City of El Paso has up to *90 days* to process this request from receipt of complete submittal and reserves the right to deny the Grant payment claim if the terms of the Agreement have not been complied with.

Schneider Electric USA, Inc., a Delaware Corporation

By: _____

Name: _____

Title: _____

Date of Submission: _____

EXHIBIT D

Incremental Ad Valorem Property Tax Revenue Calculation

The following exhibit depicts an example of Real and Personal Property Tax rebate calculation, the dollar amounts utilized are for *illustrative purposes* only, and do not reflect an actual rebate that will be or has been issued by the City of El Paso.

For illustrative purposes only, the rebate will be calculated assuming a 75% reimbursement

	<u>REAL property tax rebate calculation</u>	
Base Value 2022		\$722,678.00
<u>Tax Value</u>		
Property Value 2023		1,500,000.00
Base Year Value 2022		<u>- 722,678.00</u>
Increased Tax Value		\$777,322.00
<u>Rebate Calculation</u>		
Increased Tax Value		\$777,322.00
Tax Rate per \$100		<u>x .907301</u>
Rebate		\$705,265.03/100
75% REAL property tax rebate		\$7,052.65 * .75
REAL Property Tax Rebate		\$5,289.49
	<u>PERSONAL property tax rebate calculation</u>	
Base Value 2022		\$26,006,649.00
<u>Tax Value</u>		
Property Value 2023		30,000,000.00
Base Year Value 2022		<u>- 26,006,649.00</u>
Increased Tax Value		\$3,993,351.00
<u>Rebate Calculation</u>		
Increased Tax Value		\$3,993,351.00
Tax Rate per \$100		<u>x .907301</u>
Rebate		\$3,623,171.36/100
75% PERSONAL property tax rebate		\$36,231.71 * .75
PERSONAL Property Tax Rebate		\$27,173.79
TOTAL Combined Rebates (Real + Personal)		\$32,463.27

***For the purposes of this agreement, the base value of personal property, and the personal property rebate calculation is determined by the El Paso Central Appraisal District's "Owner within a Taxing Jurisdiction" assessment method. ***