



CITY OF EL PASO

TED Fund Request

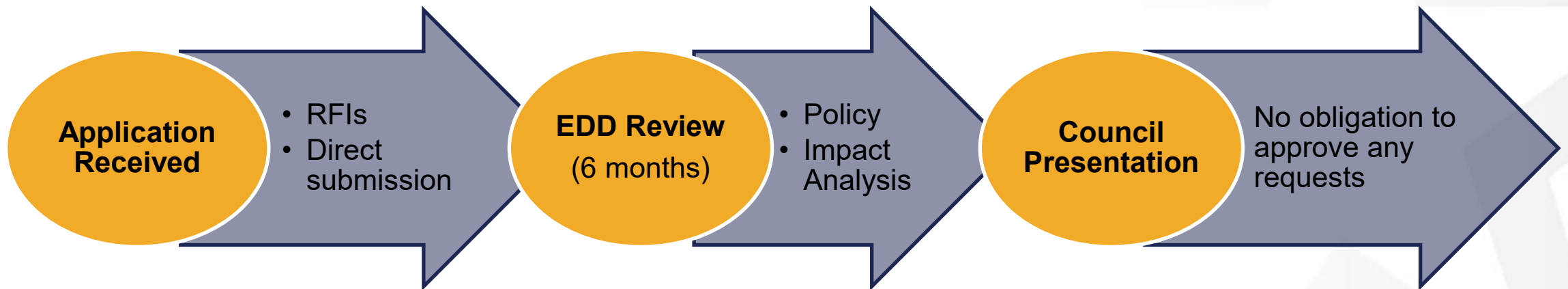
Grant Assistance for Van Horn Water Pressurization Project

Texas Economic Development (TED)

Fund Summary

- El Paso City Council approved the Texas Economic Development Incentive Program (TED Program) on January 20, 2021
- The purpose of the TED Program is to make funds available for financial 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 TED Fund is an \$80 million fund to be funded by Sun Jupiter over a period of 15 years and administered by the City solely for the purpose of promoting economic development
 - \$31.9M received to date

Texas Economic Development (TED) Request Process



TED Fund Commitments

EPE Payment Income **\$31,999,998**

Obligations and Commitments

Target Industry & Investment Assistance

Notes Live, Inc* 8,000,000

Advanced Manufacturing District

NCDMM 244,800

Ferveret 898,000

Rancho del Rey 2,325,000

Infrastructure Assistance

Schneider Electric – EV Charging 75,000

Stan Roberts Reconstruction 12,500,000

International Border Crossing Study* 150,000

Traffic Calming Implementation 100,000

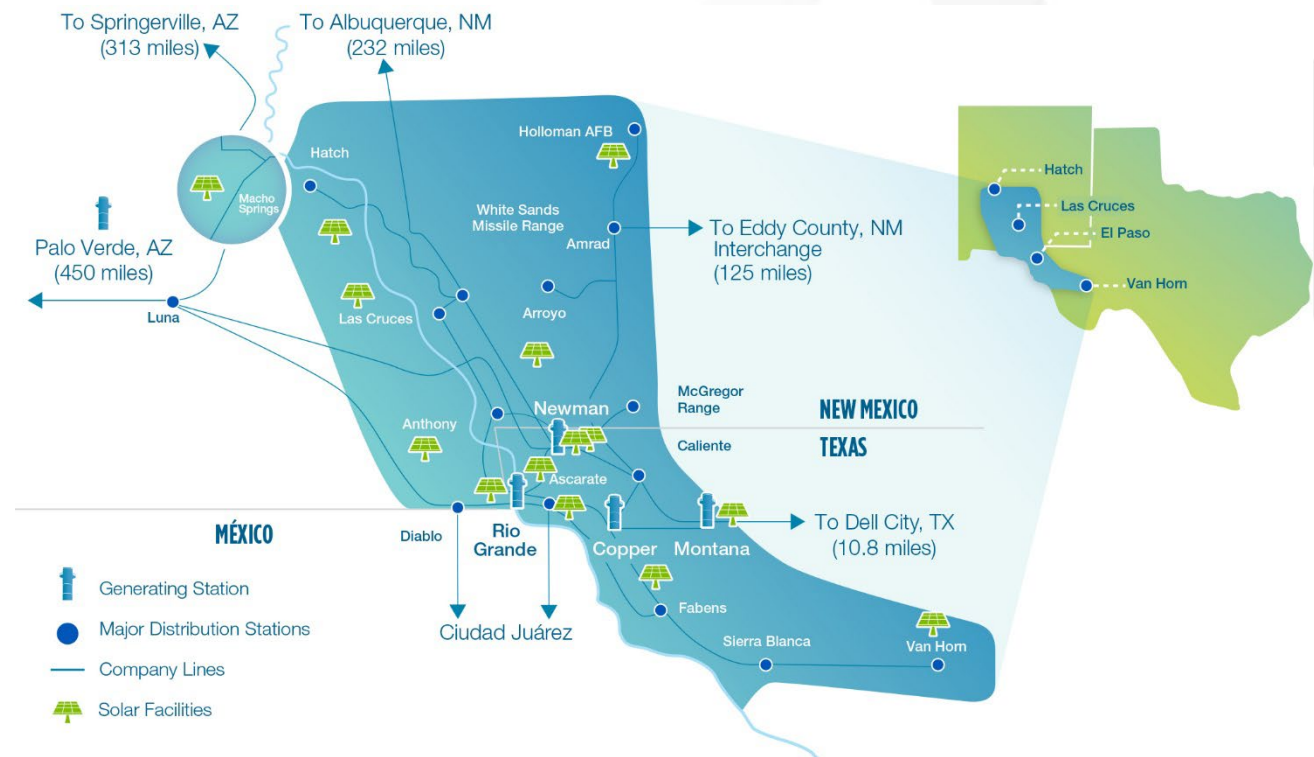
Ysleta POE Feasibility & Design 5,000,000

Van Horn 3rd Water Zone 600,000

Total Obligations to date **29,892,800**

Texas Economic Development (TED) Infrastructure Assistance Program

“Financial assistance for public infrastructure improvements associated with specific infrastructure projects benefitting one or more companies committed to creating net-new jobs and/or making new capital investments within EPE’s Texas Service Area. Such projects may include, but are not limited to, rail, public roadway, port, airport, water, sewer, gas, and telecommunication improvements.”



Texas Economic Development (TED) Infrastructure Assistance Program

- **Project Type and Location:**
 - Must involve public infrastructure (e.g., rail, roads, ports, etc.) within EPE's Texas Service Area.
 - Funds cannot be used for private land unless the land is publicly owned or under a delayed private purchase option (minimum five years post-approval).
- **Job/Investment Impact:**
 - Projects must be essential for the location or expansion of businesses that meet specific eligibility criteria and are located within the EPE Service Area.
- **Local Match Requirement:**
 - Projects outside city limits must secure a 100% funding match from the political subdivision where the project will occur.

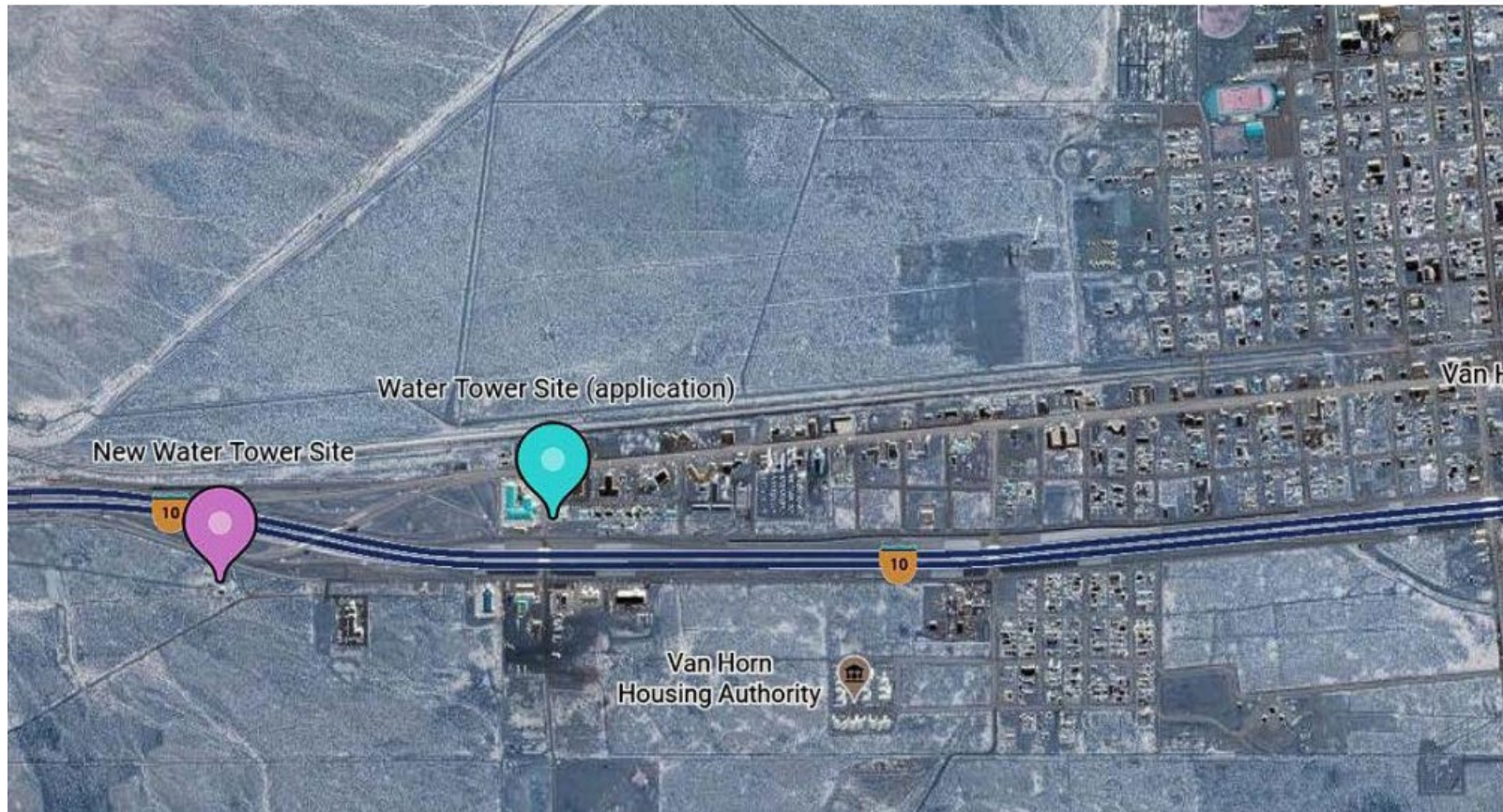
Project Overview

Van Horn Water Pressurization

- **Applicant:** Rio Grande COG on behalf of the Town of Van Horn
- **Project Summary:** Construction of a Third Water Pressure Zone
 - Proposed construction of the Third Pressure Water Zone and 100,000 elevated water storage tank to allow the Town of Van Horn to lift the existing Water Moratorium and allow both public and private development currently on hold to begin.
 - Town of Van Horn must complete the project by January 2027.
- **Project Cost:** \$3,005,740
 - Matching Federal Funds from EDA (already secured): \$1,700,000
 - Matching Local Funds (already secured): \$705,740
- **TED Fund Request:** \$600,000
 - Estimated shortfall for engineering oversight and construction

Project Overview

Van Horn Water Pressurization



Project Overview

Van Horn Water Pressurization

- Van Horn, seat of Culberson County
 - Approx. 2,000 residents
- Key economic drivers
 - Blue Origin
 - Alpine High's oil and gas mining
 - Round Top Mountain's rare earth mining
 - Tourism to Big Bend, Guadalupe Mountains, McDonald Observatory, and Marfa
- Local water use is significantly higher due to these temporary populations, with 2020 municipal demand at **266 gallons per capita**, compared to the national average of **82 gallons per capita**



Project Overview

Van Horn Water Pressurization

Projected Impact:

- Allow the Town of Van Horn to meet TCEQ water pressure regulations
- Enable the development of new housing and a new Emergency Management Services facility
- Lift the Water Moratorium prohibiting new commercial development to capitalize on planned private investment in the hospitality sector and projected growth from space tourism activity
 - \$25 million in private investment
 - 70 temporary construction jobs and 74 permanent jobs in hospitality
 - Support 225 existing jobs with Blue Origin

Texas Economic Development (TED)

Policy Compliance and Recommendation

- ✓ **Project Type and Location:**
 - Project is for public water infrastructure within EPE's Texas Service Area.
- ✓ **Job/Investment Impact:**
 - Project is essential for the location or expansion of businesses
 - Supports key industries of tourism and aerospace
 - Meets investment and jobs eligibility for Non-Target Area projects
- ✓ **Local Match Requirement:**
 - Van Horn has secured over \$2M in funding, including \$705,740 in local match

Action and Next Steps

Recommend **APPROVAL** of the proposed TED Fund Program Agreement as the project meets the requirements of the TED Policy, demonstrates a sufficient net positive impact to EPE Texas Service Area, and supports regional advancement of tourism and aerospace industries

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