



CITY OF EL PASO

Property Lease Agreement:

5509 Will Ruth – PID 301917

District 4 | El Paso, Texas | 79924

Mary Lou Espinoza, MBA
Capital Assets Manager

May 12, 2026

Property Overview



Parcel Size: 5 Acres

Zoning: R-4 (Residential)

Eligibility Criteria

- NPO must have **IRS 501(c)** tax-exempt status
- Must submit a formal request to the City's Real Estate Division
- Include documentation:
 - Proposed public benefit
 - Annual work plans to include:
 - Benchmarks & goals
 - Performance measures/service obligations

Constitutional Compliance 3-Prong Test

To comply with **Texas Constitution, Article III, § 52**, all discounts must meet the following:

1	2	3
Serve a public municipal purpose	City must retain control to ensure the purpose is met	City must receive a return benefit equivalent to the value provided

Proposed Lease Terms

Tenant: Carl L. Robinson HEAT Retreat

Building Size: 37,387 SF

Discounted Rental Rate: \$12,000.00/year

Initial Term: Five (5) years

Renewal Terms: Two (2) options of one (1) year

Escalation Rate: Not Applicable

Market Rental Rate: \$447,963.00/year

Operating Expenses: \$54,211.15/year

Public Benefit

Value Exchange

- **\$2.2 Million** in Tenant-funded capital improvements
- Tenant assumes 100% of operational responsibility
- Eliminates need for City-funded repairs and staffing

Avoided Financial Burden

- **\$878,250/yr** estimated City operating cost
- **\$3.83M** immediate critical repairs
- Up to **\$12.5M** long-term capital exposure

Performance-Based Structure

- Investment milestones (40% Year 1 | 70% Year 2 | 100% Year 3)

Strategic Outcome

- Maintains service to the community
- Leverages private capital for public infrastructure
- Protects a high-value City asset without direct expenditure

Recommendation: Lease to the proposed Tenant

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