



CITY OF EL PASO

TED Program Agreement with Ferveret, Inc.

Expansion to the Innovation Factory at
El Paso International Airport

Strategic Alignment

Goal 1: Cultivate an Environment Conducive to Strong, Economic Development

Department Objective: Foster sustainable economic growth, enhance the City's competitiveness, and improve quality of life by attracting investment, diversifying the tax base, supporting business expansion.

- Increase **Commercial Tax Base**
- Support creation and retention of “**Quality Jobs**”

Ferveret, Inc

Recommendation

Proceed with the Texas Economic Development (TED) Fund Program Agreement between City of El Paso and **Ferveret, Inc.**, as the proposed project meets the established TED Fund Policy, Innovation Factory program framework, **strengthens the supply chain** for a Target Industry, provides pathways for **Quality Jobs**, and provides a net benefit to the City.

Policy Alignment

Texas Economic Development (TED) Fund

Grow existing and attract new target industries, including **advanced manufacturing** and international development; creating an innovation-driven culture of technology that fosters **economic prosperity** and creates **high-paying career pathways**.

Quality Jobs and Investment Assistance category:

- Financial assistance to offset the costs companies incur when **expanding or locating a business operation** in EPE's Texas Service Area; such costs may include job training assistance for new employees, **building retrofitting, relocation of equipment**, and other expenditures...

TED Fund Overview

EPE Payment Income to date	\$26,666,665
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Obligations and Commitments

Advanced Manufacturing District	
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NCDMM	244,800
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Ferveret	875,000
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Schneider Electric USA, Inc.	75,000
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Stan Roberts Reconstruction (META)	12,500,000
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Notes Live, Inc*	8,000,000
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Ports of Entry and Border Trade Support	
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International Border Crossing Study*	150,000
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Ysleta POE Strategy	5,000,000
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Total Obligations to date	26,844,800
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Policy Alignment

Innovation Factory

In February 2023, the City Council approved the Innovation Factory Incentive and Lease Policy. Current tenants have benefited from City Council's appropriation of ARPA funds to offset costs associated with rent and operational expenses.

- Over 20 applications have been received, and seven tenants moved in:
 - AconityUS, Inc.
 - DRIVE AM
 - GSM Technologies
 - Infinite Elements, Inc.
 - PM Technologies
 - Trusted AM
 - Valtrek Group, LLC



Luis Loera, Ferveret

Ferveret, Inc Solutions

Ferveret offers data centers a way to reduce cooling costs, improve equipment performance, and save on capital costs.

Their technology aims to address the increasing demand for power-intensive microchips and decrease data center emissions.



Ferveret, Inc

Local Supply Chain

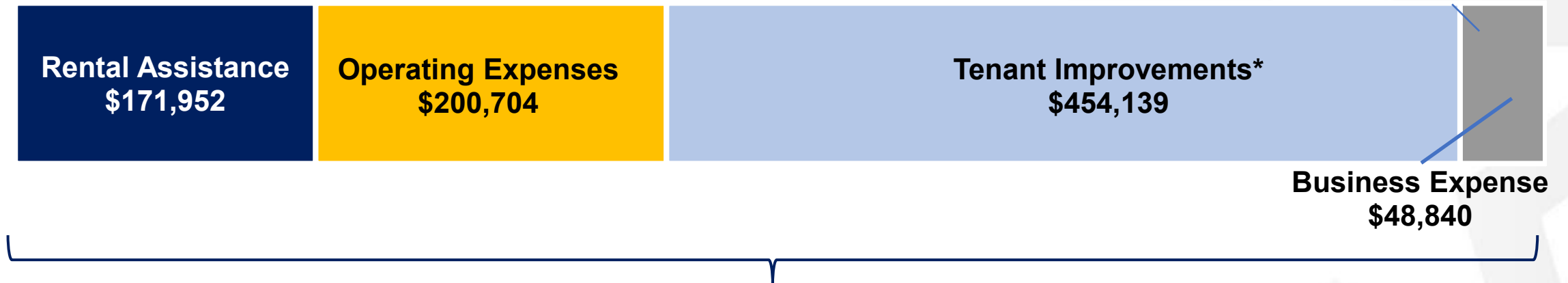
- Ferveret presented at an Innovation Network for Manufacturers Power Luncheon
- Connect with local suppliers who can provide sheet metal fabrication, powder coating, 3D metal printing, precision machining, EPC production, push-to-connect plastic fittings, packaging cardboard, and more.



Omar Hernandez – Ferveret, Inc

Ferveret, Inc

Proposed Incentives



Incentives Over 3-Year Term = \$875,634.84

*Recapture of Tenant Improvements on a depreciating schedule

Ferveret, Inc

Growth Plan

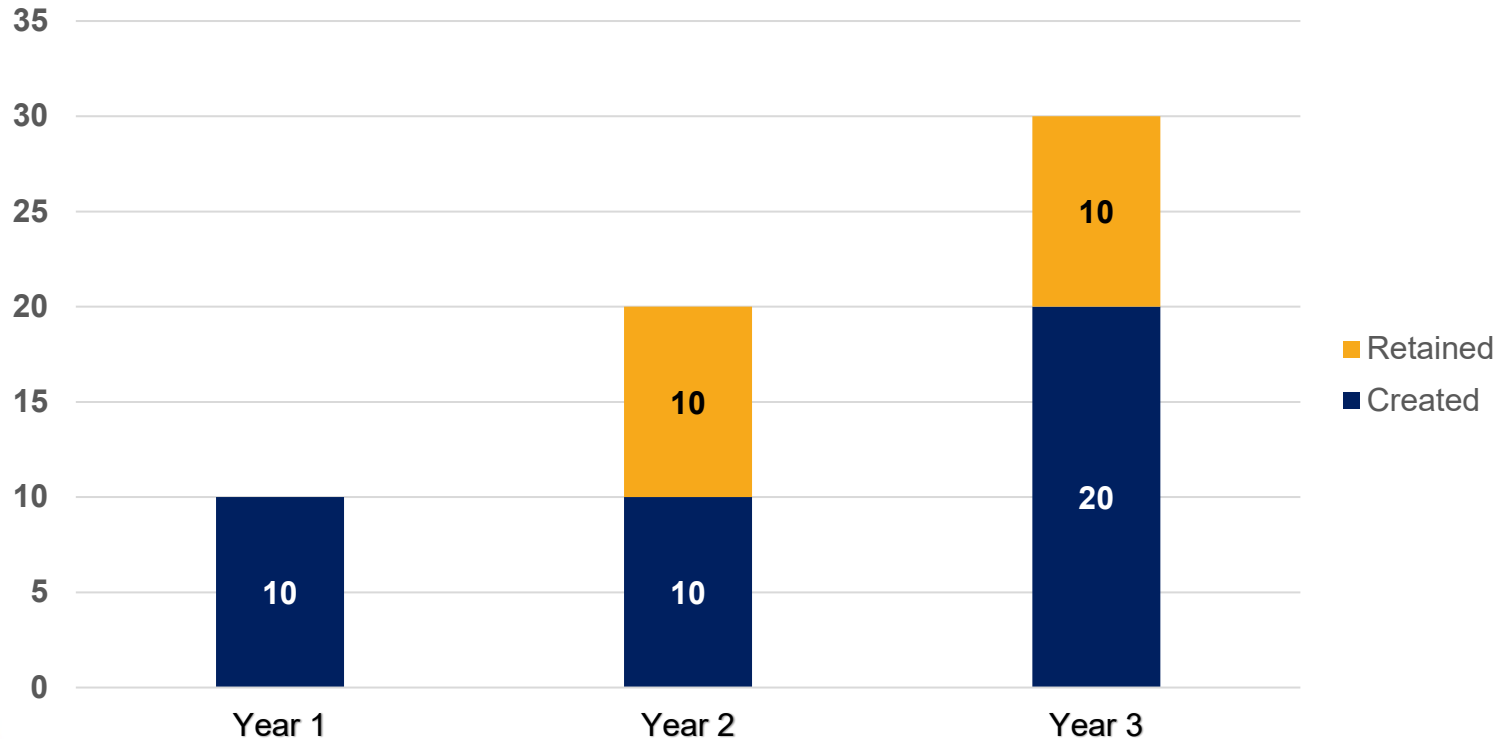
Growth in El Paso

- Incentive Term: 3 years (2028)
- The operation must be established at either the Innovation Factory or the Airport's Advanced Manufacturing District, maintaining a presence for a minimum duration of five years.
- Lease Term: 5 years

Ferveret, Inc

Growth Plan

Job Creation and Retention



- Combination of engineers, techs, and assembly line workers
- 30 new jobs created
- Median County Wage (\$18.21/hr.)
- Site Engineer \$74,000
- Business Manager \$65,000

Ferveret, Inc

Key Deal Points

Provide Quality Jobs in Key Industry

- Incentives scaled based on job creation performance
- **Full-Time Employment Equivalent Hours** - the minimum number of required hours worked through full-time employees, part-time employees, and/or engagement in El Paso of independent contractors, consultants, and/or advisors.

	Year 1 (2026)	Year 2 (2027)	Year 3 (2028)
Full-Time Employment Equivalent Hours worked	18,200	36,400	54,600

Ferveret, Inc

Next Steps

Staff Recommendation

- Approve the Chapter 380 TED Program Agreement between City of El Paso and **Ferveret, Inc.**, as the proposed project meets the established TED Policy and provides a net benefit to the City.

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