



EX X
ADP Inc.

Proposed 2nd Amendment to a Chapter 380 Agreement for the
Expansion ADP's Facilities and Operations in Northwest El Paso

Goal 1: Create an Environment Conducive to Strong, Sustainable
Economic Development



January 16, 2024

CONFIDENTIAL ATTORNEY-CLIENT COMMUNICATION AND/OR CONFIDENTIAL ATTORNEY WORK PRODUCT : TOMA Exceptions 551.087

ADP, Inc. : Agreement Summary

- **Project Description:** Expand ADP's existing operations to add a second facility and create 1,100 new FTEs, in addition to those already employed by ADP
- **Project Location:** 1851 N. Resler Drive
- **Agreement Effective Date:** December 12, 2012
 - Amended on September 16, 2014 to increase minimum investment and job creation commitments
- **Agreement Term:** 16 years (2028)
- **Minimum Contractual Investment:** \$41M
- **Actual Investment: \$44.8M**



*Contract allows for a minimum of 880 FTEs to be created and retained to remain eligible for grant payment.

ADP, Inc. : Employment Metrics

- **Job Creation Metrics:** By **Year 6** of the Agreement, create and retain:
 1. A minimum of **880 new FTEs** that pay at least 90 percent of the Median County Wage for the year covered by the grant submittal package to receive a **25 percent incremental property tax rebate**; or
 2. A minimum of **990 new FTEs** that pay at least 90 percent of the Median County Wage for the year covered by the grant submittal package to receive a **60 percent incremental property tax rebate**
- **Contractual Definition of “FTE”:**
 - A job requiring a minimum of 2,080 hours of work averaged over a 12-month period
 - ADP pays a minimum of 50% of the health insurance premium



ADP, Inc. : Incentive Summary



Paid To Date

(Property Tax Rebate for 3 Years @ 60%)

\$331,365

Forecasted Grant Payments Remaining

(Property Tax Rebate for 7 Years @ 60%)

\$781,921

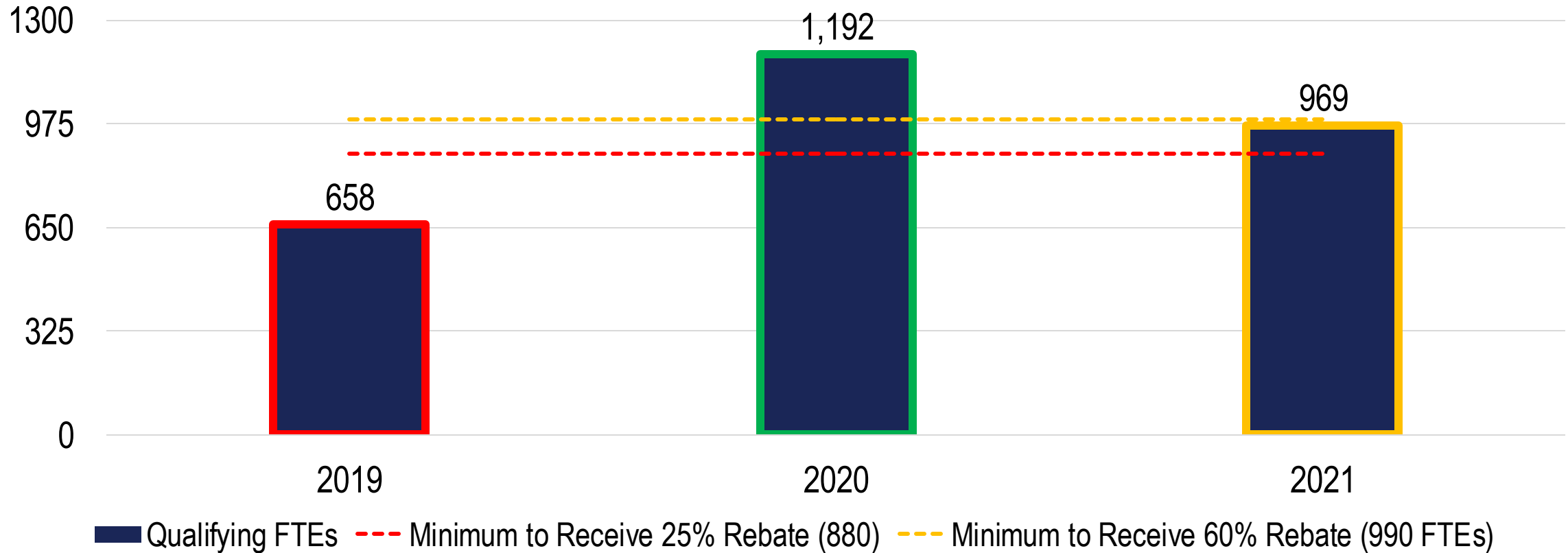
Total Incentive Over 10-Year Grant Period* = \$1,113,286

(2.7% of \$41M minimum contractual Investment)

*Assumes ADP creates and maintains a minimum 990 employees at 90% of the MCW throughout the Grant Period

ADP, Inc. : Employment Actuals

658 FTEs created in 2019, or about 75% of the minimum required 880 FTEs to receive a 25% rebate; and about 66% of the minimum required 990 to receive a 60% rebate



ADP, Inc. : Amendment Proposal

- Amend Full-Time Equivalent Definition to be a job requiring a minimum 1,820 hours per year with the total count of FTEs for a Grant Year calculated as the average number of qualifying jobs employed as of the final day of each quarter within the Grant Year
 - Exceeds Texas Workforce Commission requirements
 - Aligns with Texas Enterprise Zone Program definitions
- Amend to require a qualifying FTE to pay, at minimum, 100% of the Median County Wage for the applicable year
- Requirements regarding health insurance benefits remain unchanged



ADP, Inc. : Consideration Proposal

As consideration for proposed amendment:

- Forfeit incentive year they were in default (2019)
- 2020 & 2021 would be paid out since ADP met FTE requirements for those years

Total Property Tax Rebate Reduction = \$119,455.26

(or about a 10% reduction in total incentive package)

2019 \$119,455.26	2020 \$107,820.45	2021 \$98,512.20
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ADP, Inc. : Staff Recommendation

Staff recommends moving forward with the proposed amendment.

- ADP met and exceeded the minimum contractual investment of \$41 million, **investing more than \$44 million** in construction
- ADP pays **80% of health insurance premiums**, beyond the company's contractual requirement of 50%
- One of our community's largest private employers



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, Respect, Excellence, Accountability, People