



Eaton Corporation

An Expansion Project in Northwest El Paso

Economic & International Development
March 26, 2024

Goal 1: Create an Environment Conducive to Strong, Sustainable Economic Development
1.1 Stabilize and expand El Paso's tax base

Policy Alignment:

Eaton Corporation

- Project aligns with the City's 380 Incentive Policy, including capital investment, quality job creation/retention, **target industry** (advanced manufacturing + energy and sustainability), **supply chain** (eMobility, Aerospace, Information & Technology Services).
- Project aligns with **Texas Economic Development Fund Policy**, which may be used to offset training and property tax rebate grants.
- After incentive value and the cost of government services, the project's expansion provides a **net benefit to the City**.
- **Recommendation:** Move forward with the Chapter 380 Agreement.

September: Term Sheet

March: 380 Agreement

Project Description:

Eaton Corporation

Acquisition of Helen of Troy complex (\$41M+)

- 115k sf of Class A office space
- 420k sf of warehouse space
- 50+ acres, including 10 acres of undeveloped land

Expansion makes this the company's **largest** manufacturing presence in North America

Project Metrics:

- Minimum Capital Investment: **\$29M**
- **Create 575 FTES**
- An average salary of \$43k plus benefits
- Workforce training: **\$2.3M+**
- **Retain 300 FTEs** paying at least median area wage



Project Summary: Eaton Corporation

Applicant: Eaton Corporation

Property Address:

- Current Facility: 7800 Trade Center
- Proposed Expansion Facility: **1 Helen of Troy**

Investment: \$70,000,000

- Building Acquisition: \$41,000,000
- Capital Investment: \$29,000,000

District: District 1

About Company:

- Publicly traded Fortune 500 with annual sales of over \$20B (2022)
- Global power management company founded over 100 years ago
- Operates in 27 states and has a presence in El Paso & Juarez



Proposed Local Incentive: Eaton Corporation



Total City Incentive = \$3,391,000

(\$3,251,000 sourced from Texas Economic Development Fund)

City Incremental Property Tax Rebate (15 Years @ 80%) \$2,051,000		Workforce Training Rebate (during ramp-up period) \$1,200,000	County Incremental Property Tax Rebate (15 Years @ 80%) \$978,000
Construction Materials Sales Tax Rebate (one-time @ 100%) \$40,000		Permit Fee Rebate (one-time) \$100,000	Skills Training Grant (one-time) \$100,000

Total Local Incentive = \$4,469,000

(6.4% of total company investment)



Economic Impact: Eaton Corporation

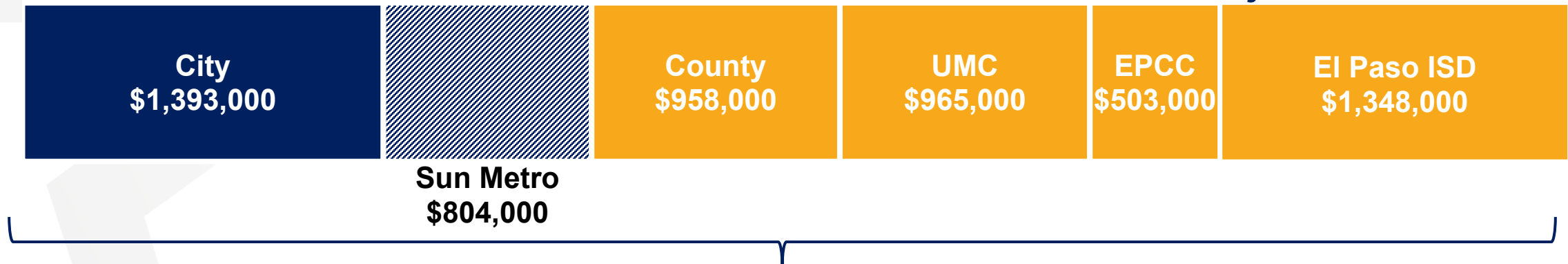
	Current Operations	Expanded Operations	Total Operations
Jobs*			
Direct	300	575	875
Indirect	330	632	962
Jobs Total	630	1,207	1,837
Salaries (\$M over 15-Year incentive term)			
Direct	\$223	\$432	\$752
Indirect	\$170	\$328	\$571
Salaries Total	\$393	\$845	\$1,323

- Operations directly support 875 jobs and annual salaries of \$50M+ annually
- Through spending, an additional 960+ jobs are indirectly supported
- In total, nearly 1,840 jobs are supported, representing \$48k in average annual salaries per job

*Jobs is reflective of Job-Years

Community Net Tax Benefit: Eaton Corporation

15-Year Net Tax Benefit after Incentives as a Result of Project*



Net Tax Benefit Over 15-Year Term = \$6.0M

*Tax benefit over 15 years after incentives and cost of services (note, UMC, EPCC, and Sun Metro cost of services have not been estimated)

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