CITY OF EL PASO, TEXAS AGENDA ITEM DEPARTMENT HEAD'S SUMMARY FORM

AGENDA DATE: April 23, 2024

CONTACT PERSON(S) NAME AND PHONE NUMBER: Mirella Craigo, Assistant Director 915-212-1617

Karina Brasgalla, Interim Director 915-212-1570

DISTRICT(S) AFFECTED:

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

SUBGOAL: 1.7 Identify and develop plans for areas of reinvestment and local partnership

SUBJECT:

Discussion and action on a Resolution authorizing the City Manager to sign a Chapter 380 Economic Development Program Agreement ("Agreement") between the City of El Paso (the "City") and Pioneers 21 (the "Applicant"). The City will provide Applicant with grant payments for costs incurred in operating a business incubator in downtown El Paso that will support local entrepreneurship and innovation development and accelerate economic development efforts in the City. The total amount of grant payments paid to the Applicant shall not exceed \$1,200,000.00 over the term of the Agreement. The Applicant's eligibility for the grant payments shall be limited to four years. The City shall review the Applicant's eligibility for Grant Payments on a quarterly and annual basis.

BACKGROUND / DISCUSSION:

Pioneers 21, previously known as the Hub of Human Innovation, is a non-profit organization and business incubator based in Downtown El Paso that nurtures the development of startup and early stage companies. The purpose of the recommended four-year Chapter 380 Agreement is to provide Pioneers 21 with capitalization funds for actual and reasonable costs incurred in operating a business incubator designed to support local entrepreneurship, innovation development, and accelerate economic development efforts in El Paso.

Through the utilization of the funds, Pioneers 21 will continue to offer a comprehensive suite of programs aimed at empowering local entrepreneurs and small business owners. From the MIT Venture Mentoring Service to specialized workshops like the Innovation + AI certification program and Digital Marketing workshops, Pioneers 21 is poised to equip startups with the knowledge, resources and connections necessary for success in a competitive marketplace. By focusing on mentorship, training and access to capital, this initiative not only accelerates the growth of individual ventures but also contributes to the broader economic development of Downtown El Paso.

Partner organizations were provided Contribution and Disclosure Forms in accordance with Ordinance No. 019581.

PRIOR COUNCIL ACTION:

On March 29, 2022 City Council adopted a two-year Chapter 380 Agreement with Pioneers 21 in the amount not to exceed \$500,000 annually.

AMOUNT AND SOURCE OF FUNDING:

This four-year agreement will be funded in the amount not to exceed \$1,200,000 from the Impact Fund.

DEPARTMENT HEAD:

(If Department Head Summary Form is initiated by Purchasing, client department should sign also)

RESOLUTION

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO:

That the City Manager be authorized to sign a Chapter 380 Economic Development Program Agreement ("Agreement") between the City of El Paso (the "City") and Pioneers 21 (the "Applicant"). The City will provide Applicant with grant payments for costs incurred in operating a business incubator in downtown El Paso that will support local entrepreneurship and innovation development and accelerate economic development efforts in the City. The total amount of grant payments paid to the Applicant shall not exceed \$1,200,000.00 over the term of the Agreement. The Applicant's eligibility for the grant payments shall be limited to four years. The City shall review the Applicant's eligibility for Grant Payments on a quarterly and annual basis.

APPROVED this	s day of	, 2024.
	CITY O	F EL PASO:
	Oscar Le Mayor	eser
ATTEST:	1.14, 61	
Laura D. Prine City Clerk		
APPROVED AS TO FORM:	APPRO	VED AS TO CONTENT:
Oscar Gomez	Karina B	rasgalla, Interim Director
Assistant City Attorney		c & International Development

STATE OF TEXAS)	
) CHAPTER 380 ECONOMIC DEVELOPMEN	NT
COUNTY OF EL PASO) PROGRAM AGREEMENT	

This Chapter 380 Economic Development Program Agreement ("Agreement") is made and entered into by and between the CITY OF EL PASO, TEXAS ("City"), a Texas home-rule municipal corporation, and PIONEERS 21, INC., ("Applicant"), a 501(c)(3) tax-exempt, non-profit corporation authorized to do business in Texas, for the purposes and considerations stated below:

WHEREAS, the Applicant desires to enter into this Agreement pursuant to Chapter 380 of the Texas Local Government Code ("Chapter 380") and the Texas Constitution Article III, Section 52-a; and

WHEREAS, on June 14, 2011, the City adopted a Chapter 380 economic development program by creating the City of El Paso Economic Development Incentive Policy Impact Fund ("Impact Fund") for the purpose of achieving economic growth, expanding and diversifying the tax base and creating new quality jobs within the City of El Paso; and

WHEREAS, the City desires to provide pursuant to Chapter 380, an incentive to Applicant to expand Applicant's Business Incubator services within the City of El Paso; and

WHEREAS, the City has the authority under Chapter 380 to make loans or grants of public funds for the purposes of promoting local economic development and stimulating business and commercial activity within the City of El Paso; and

WHEREAS, the City determines that a grant of funds to Applicant will serve the public purpose of promoting local economic development and enhancing business and commercial activity within the City; and

WHEREAS, the City and Applicant desire that Applicant's Business Incubator be located in and serve the City of El Paso; and

WHEREAS, the Applicant's Business Incubator services being located in El Paso, Texas will likely encourage increased economic development in the City, provide increases in the City's property tax revenues, and improve the City's ability to provide for the health, safety and welfare of the citizens of El Paso; and

WHEREAS, the City has concluded and hereby finds that this Agreement embodies an eligible program and promotes economic development in the City of El Paso; meets the requisites under Chapter 380 of the Texas Local Government Code; and is in the best interests of the City and Applicant.

NOW, THEREFORE, in consideration of the mutual benefits and promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

SECTION 1. DEFINITIONS.

The following words shall have the following meanings when used in this Agreement.

- A. **Agreement.** The word Agreement means this Chapter 380 Economic Development Program Agreement, together with all attached exhibits.
- B. **Annual Report.** The words Annual Report mean a yearly account provided to the El Paso City Council that includes descriptions reporting on the outcome metric items more fully described in **EXHIBIT D**, which is attached hereto and incorporated herein for all purposes.
- C. **Applicant.** The word Applicant means Pioneers 21, Inc., a 501(c)(3) non-profit corporation authorized to do business in Texas.
- D. City. The word City means the City of El Paso, Texas.
- E. Client Company. The words Client Company mean: (i) an entity which has contracted with the Applicant to receive business incubation services, which are consistent with the operation of the Project or (ii) an entity which has its operation in the El Paso region, is a viable business concern, and has received services from Applicant during the term of this Agreement
- F. **Project.** The word Project means Applicant's Business Incubator services being located in El Paso, Texas as more fully described on **EXHIBIT A**, which is attached hereto and incorporated herein for all purposes.
- G. **Effective Date.** The date upon which both parties have fully executed this Agreement as set forth on the signature pages hereof.
- H. Event of Default. This phrase shall have the meaning set forth in Section 5 hereof.
- I. **Event of Non-appropriation.** The phrase means the failure of the City to appropriate for any Fiscal Year, sufficient funds to pay the Grant payment, or the reduction of any previously appropriated money below the amount necessary to permit the City to pay the Grant payments from lawfully available funds.
- J. **Full-Time Employment.** The words Full-Time Employment mean an employment position requiring a minimum of 1820 hours of work averaged over a12 month period, including allowance for vacation and sick leave, with full company benefits, including company paid contributions to health insurance, for those employees that participate in the health insurance program. Principal place of employment or location of services rendered shall be within the geographic limits of the City of El Paso, Texas.
- K. **Graduate Company.** The words Graduate Company mean a company that had previously been identified as a Client Company and has begun operations as a viable business concern.

- L. **Grant.** The word Grant means a payment on an annual basis to Applicant under the terms of this Agreement and payable from the City's Impact Fund. Under no circumstances shall the aggregated, annual Grant payment exceed \$300,000 per year. The maximum payment amounts shall not exceed \$1,200,000 during the four-year term of this Agreement.
- M. **Grant Submittal Package.** The words Grant Submittal Package mean the documentation required to be supplied to City on a yearly basis as a condition of receipt of the Grant, with the documentation more fully described in **EXHIBIT E**, which is attached hereto and incorporated herein for all purposes.
- N. **New Client Company.** The words New Client Company mean: (i) an entity which has contracted with the Applicant to receive business incubation services, which are consistent with the operation of the Project and (ii) an entity which can be a startup or has its operation in the El Paso region; is a viable business concern; and has received services from Applicant during the term of this Agreement.
- O. **Project.** The word Project means the project described in **EXHIBIT A**.
- P. **Property.** The word Property means the location of Applicant's operations, place of business, and address for Notice purposes located at 500 W. Overland Avenue Suite 230, 79901, in El Paso, Texas, as described in **EXHIBIT A**.

SECTION 2. TERM AND GRANT PERIOD.

The Term of this Agreement shall commence on the Effective Date and shall terminate on the first to occur: (i) Four years from the Effective Date, plus the additional time thereafter as may be necessary to process the final Grant payment or (ii) the proper termination of this Agreement in accordance with the applicable provisions contained herein, or (iii) termination by mutual consent of the parties in writing.

The Grant Period shall begin when the Applicant submits their initial Grant Submittal Package to the City.

SECTION 3. AGREEMENT PURPOSE.

The purpose of the Grant is to provide Applicant with capitalization funds for actual and reasonable costs incurred in operating a business incubator in downtown El Paso, which shall support local entrepreneurship and innovation development and accelerate economic development efforts in El Paso, including, but not limited to, accelerating the creation of firms operating in the El Paso region, as described in Exhibit A. Applicant's services and activities are anticipated to promote local economic development and stimulate business and commercial activity in the City of El Paso.

The Applicant's eligibility for Grant payments shall be limited to Four years (the "Grant Period") within the term of this Agreement. The City shall review Applicant's eligibility for Grant Payments on a monthly basis in accordance with **EXHIBITS C and E** and on an annual basis in accordance with **EXHIBIT D**, during the Grant Period.

SECTION 4. OBLIGATIONS OF APPLICANT.

During the term of this Agreement, Applicant shall comply with the following terms and conditions:

- A. **Project Requirements**. Applicant agrees to maintain and operate the business incubator at its sole cost and expense, located at 500 W. Overland Avenue, El Paso, Texas 79901 and specifically, to perform the following obligations with respect to operation of the business incubator:
 - 1. Applicant will provide high-quality business incubation services on behalf of each Client Company and each Graduate Company, as applicable, to include, as appropriate:
 - a. Infrastructure services (e.g., use of facilities, furniture, high-speed internet access, mail delivery, conference rooms, telephone service, shared services, and other facility-related benefits);
 - b. Access to operational support services (e.g., in-kind professional support, accounting/financial management, human resources, and legal); and
 - c. Access to strategic support services (e.g., strategic partner networks, entrepreneurial education and training, access to investor financing and capitalization, product development, commercialization, and marketing, intellectual property strategy, business strategy and planning, links to higher education, specific-sector expertise, and linkages to mentors, advisory teams, and potential board of directors' candidates).
 - 2. During the term of this Agreement, Applicant will establish contractual obligations in its service contracts with each Client Company for the provision of data and information necessary for Applicant to complete the documentation required for each, annual Grant Submittal Package and the Annual Report.
 - 3. Applicant will develop a workable selection process for each Client Company, which is well-communicated and appropriate to the mission and the context of the business incubator and correlated to specific product and business criteria for each prospective Client Company.
 - 4. Applicant agrees to use its best good faith efforts to obtain funding from other non-governmental funding sources as those funding opportunities become available. Applicant is also required to submit a Strategic Plan (**EXHIBIT F**) for 2024-2028.

- Upon the one-year anniversary of this executed agreement an updated Strategic Plan will be submitted by Grantee to address economic changes in the market, programming schedules and any and all other changes the Grantee plans to amend.
- 5. Applicant agrees to seek out opportunities for collaboration and partnership with entities involved entrepreneurial activity in El Paso, Texas, including, but not exclusively, with to assist businesses secure access to capital.
- B. Applicant expressly agrees that the transfer of dollar amounts among existing allowable categories described in **EXHIBIT B** (the "Project Budget"), shall not change the scope or objective of the Project funded under this Agreement.
- C. Applicant expressly agrees to submit a written request for the revision of the Project Budget, which must contain a complete explanation and justification of changes made, and is subject to the approval of the City Manager, Director of Economic and International Development, or other of City Manager's designee. The revised Project Budget will substitute the original Project Budget (or any prior revised Project Budget) upon the City Manager Director of Economic and International Development, or other of City Manager's designee's approval and acceptance thereof, without the need for a written amendment to this Agreement.
- D. Applicant agrees that it shall create, staff, and maintain all positions described in **EXHIBIT B** for the Project as of December 31 of the applicable year, and shall maintain the Full- Time Employment positions staffed through the entire Grant Period of this Agreement. In order for Applicant to be eligible to receive grant payments, the individual positions in Exhibit B must each meet or exceed the Full-Time Employment definition as shown above in Section 1. J.
- E. Applicant, during normal business hours, at its principal place of business in El Paso, and with one weeks written notice shall allow the City or its agents reasonable access to Applicant's employment records and books, and other records that are related to Applicant's compliance with this Agreement. City and Applicant must mutually agree to employment records and books to be accessed prior to allowing the City or its agents access to Applicant data. If the City is unable to verify Full-Time Employment the Applicant agrees to waive their Grant Payment for that year. In order to protect these records, the City will maintain the confidentiality of the records in accordance with and subject to commercially reasonable practices and all applicable laws to the extent allowed by the Texas Public Information Act.
- F. Each month, starting immediately after the Effective Date of this Agreement, Applicant will complete and submit a Grant Submittal Package in the form attached here to as **EXHIBIT E**, together with the requisite verifiable documentation, in order to request disbursement of Grant funds on a reimbursement basis for the costs of services provided pursuant to this Agreement during the prior month. Applicant shall submit to the City their initial Grant Submittal Package to commence the Grant Period within 30 business days of the Effective Date. The Grant Submittal Package cannot be submitted earlier than

April 29, 2024. A failure by Applicant to timely submit a Grant Submittal Package in accordance with this paragraph is a waiver by the Applicant to receive a Grant payment for that Grant month. The City's determination of the amount of the Grant payment due to Applicant is final. Nothing herein shall limit (or be construed to limit) Applicant's rights and remedies under this Agreement.

- G. On an annual basis, Applicant will produce and present an Annual Report to the El Paso City Council to include descriptions reporting on the outcome metric items more fully described in **EXHIBIT D**. In accordance with Attachment D-1 to Exhibit D, the Applicant must provide the Benchmarking Survey results within 60 days of administering the survey to all Client Companies before and after participating in Applicant's programming. The City reserves the right to audit the raw data results upon request. Failure of the Applicant to produce and present the Annual Report shall result in a stop on future disbursements of Grant funds.
- H. Applicant shall pay by January 31 of each year all of the real and business personal ad valorem taxes due for the previous tax year on the Project. The Applicant shall pay by January 31 of each year all of the real and business personal ad valorem taxes due for the previous tax year on any other property owned by the Applicant with the City of El Paso.

SECTION 5. OBLIGATIONS OF CITY.

During the term of this Agreement and so long as an event of default has not occurred and is not continuing as set forth herein (provided, however, an event of default hereunder shall not be deemed to have occurred until after the expiration of the applicable notice and cure period), the City shall comply with the following terms and conditions:

A. On an annual basis, the City shall evaluate Applicant's performance based on the Performance Metrics described in **EXHIBIT** C and shall score each metric as either Favorable (meaning Applicant has met or exceeded the Performance Metric) or Unsatisfactory (meaning Applicant has failed to meet the Performance Metric by 25% or more). If Applicant fails to meet the above Favorable scoring threshold in any category for the reporting period, the Monthly Grant payment shall be withheld.

For scoring purposes, the Performance Metrics described in **EXHIBIT** C shall be divided by 12 and rounded to the nearest whole number to reflect the monthly metric goals. Monthly Grant payments shall not be withheld if Applicant fails to meet the monthly metric goals described in EXHIBIT C in any specific category where the Applicant has already exceeded the total annual metric requirement, noted as the "Annual Metric Target" in **EXHIBIT** C. If the Applicant fails to meet or exceeded the Annual Metric target for each category described in **EXHIBIT** C by the end of the Grant year, all future Grant payments shall be withheld.

The City agrees to approve or reject any Grant Submittal Package within 90 days after its receipt. The City agrees to process any Grant Payments to Applicant within 90 days after its approval of the Applicant's Grant Submittal Package. The City shall determine the

total amount of Grant payments due to the Applicant, if any, on an annual basis as provided in **EXHIBITS B and C**. The maximum, annual grant payments shall not exceed \$250,000 per year. Under no circumstances shall the total, aggregated payments disbursed by the City exceed \$1,200,000 over the four-year period this agreement in in effect.

- B. Grant Match. Applicant is eligible to receive an additional \$50,000 per year provided that the Applicant meets all other conditions, metrics and requirements enumerated in this Agreement and its Exhibits in addition to the following conditions:
 - 1. Applicant provides written documentation that Applicant has secured external funding in the amount of \$50,000 during each year of this Agreement. Applicant must be permitted to receive matching funds from a donor who donated in the year prior to the date of this Grant Agreement. Matching funds can also be obtained from other grants, government agencies, State, Federal, universities and other new sources of new revenue or funding. Pledges, loans or other unactualized funding or promises of same shall not be included nor eligible for consideration under the provisions of this section. The City's grant match amount of up to \$50,000 will have a restricted use on 20% of the grant funds raised. At least 20% of the grant match funds will be used to assist Applicant's Graduate Companies with business operating expenses. For illustrative purposes, if the Applicant raises \$50,0000 and receives the \$50,000 grant match from the City; then \$10,000 of the amount received from the City will be reserved for use to assist Applicant's Graduate Companies with business operating expenses. The grant match funds can be distributed among one or more businesses. The remaining grant match funds are limited for use by Applicant for only the following uses: Applicant's operating expenses, retained earnings, or used to hire additional personnel on either a Full-Time or Part-Time basis.

SECTION 6. EVENTS OF DEFAULT.

Each of the following shall constitute an Event of Default under this Agreement:

- A. Failure to Operate and Maintain Project and Job Requirements. Applicant's failure or refusal to operate the Project and maintain Full-Time Employment requirements pursuant to this Agreement through the Grant Period, and Applicant's failure or refusal to cure within 90 days after written notice from the City describing the failure, shall be deemed an event of default.
- B. **False Statements**. In the event the Applicant provides any written warranty, representation or statement under this Agreement or any document(s) related hereto that is/are false or misleading in any material respect, either now or at the time made or furnished, and Applicant fails to cure same within 30 days after written notice from the City shall be deemed an event of default. If the violation cannot be cured within the 30 day period in the exercise of all due diligence, but the Applicant commences the cure within the 30 day period and continuously thereafter diligently prosecutes the cure of the

- violation, the actions or omissions shall not be deemed an event of default. Further, if Applicant obtains actual knowledge that any previously provided warranty, representation, or statement has become materially false or misleading after the time that it was made and Applicant fails to provide written notice to the City of the false or misleading nature of the warranty, representation, or statement within thirty 30 days after Applicant learns of its false or misleading nature, the action or omission shall be deemed an event of default.
- C. **Insolvency**. The dissolution or termination of Applicant's existence as a going business or concern; Applicant's insolvency; appointment of receiver for any part of Applicant's portion of the Property; any assignment of all or substantially all of the assets of Applicant for the benefit of creditors of Applicant; or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Applicant shall all be deemed events of default. However, in the case of involuntary proceedings, if the proceedings are discharged within 60 days after filing, no event of default shall be deemed to have occurred.
- D. **Property Taxes**. In the event Applicant allows any property taxes owed to the City to become delinquent and fails to timely and properly follow the legal procedures for protest and/or contest of the taxes and to cure the failure or post a satisfactory bond within 30 days after written notice thereof from the City and/or El Paso Central Appraisal District, the actions or omissions shall be deemed an event of default. Subject to the restrictions noted herein, Applicant shall have the right to contest the appraised value of the Project.
- E. Other Defaults. Failure of Applicant or City to comply with or to perform any other term, obligation, covenant, or condition contained in this Agreement or in any related documents, and Applicant's or City's failure to cure the failure within 60 days after written notice from the other party describing the failure, shall be deemed an event of default. If the failure cannot be cured within the 60 day period in the exercise of all due diligence, and Applicant or City commences the cure within the 60 day period and continuously thereafter diligently prosecute the cure of the failure, the act or omission shall not be deemed an event of default.
- F. **Failure to Cure**. If any event of default by Applicant or City shall occur, and after Applicant or City fails to cure same in accordance herewith, then this Agreement may be terminated without any further action required of the Applicant or City and the Applicant's or City's obligations end at that time. If a default has not been cured within the time stated herein, the non-defaulting party shall have all rights and remedies under the law or in equity.

G. **Liability**. In no event will either party be liable to the other party for any indirect, special, punitive, exemplary, incidental, or consequential damages. In no event shall the liability of either party exceed the value of Grant Payments issued hereunder.

This limitation will apply regardless of whether or not the other party has been advised of the possibility of the damages.

SECTION 7. RECAPTURE OF GRANT PAYMENTS.

Should the Applicant default under Section 4 of this Agreement or any other terms of this Agreement, and provided that the cure period for the default has expired and Applicant failed to timely cure the default, all Grants previously provided by the City pursuant to this Agreement shall be recaptured and repaid by Applicant within 60 days from the date of the termination.

SECTION 8. TERMINATION OF AGREEMENT BY CITY WITHOUT DEFAULT OF APPLICANT.

The City may terminate this Agreement for its convenience and without the requirement of an event of default by Applicant which shall become effective immediately if any state or federal statute, regulation, case law, or other law renders this Agreement void or illegal, including any case law holding that a Chapter 380 Economic Development Agreement such as this Agreement is an unconstitutional debt.

SECTION 9. MISCELLANEOUS PROVISIONS.

The following miscellaneous provisions are a part of this Agreement:

- A. **Amendments**. This Agreement constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by all parties.
- B. **Applicable Law and Venue**. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in El Paso County, Texas. Venue for any action arising under this Agreement shall lie in the state district courts of El Paso County, Texas.
- C. **Assignment of Applicant's Rights**. Applicant understands and agrees that the City expressly prohibits Applicant from selling, transferring, assigning, or conveying in any way any rights to receive the Grant proceeds without the City's prior written consent. Any such attempt to sell, transfer, assign, or convey without the City's prior written consent is void and may result in the immediate termination of this Agreement, with no ability for the Applicant to cure.
- D. **Applicant's Sale or Transfer of the Project**. 30 days prior to any sale or other transfer of ownership rights in the Project, Applicant shall notify the City in writing of the sale or transfer. This provision is a material term of this Agreement and the failure to notify the City of the sale or transfer within the applicable period shall constitute an event of default.

- E. **Binding Obligation**. This Agreement shall become a binding obligation on the signatories upon execution by all signatories hereto. City warrants and represents that the individual executing this Agreement on behalf of City has full authority to execute this Agreement and bind City to the same. The individual executing this Agreement on Applicant's behalf warrants and represents that he or she has full authority to execute this Agreement and bind Applicant to the same.
- F. Confidentiality Obligations. The confidentiality of the records, employment records, and any other records related to the City's economic development considerations and incentives provided herein will be maintained in accordance with and subject to all applicable laws, including the Public Information Act, Chapter 552, Texas Government Code. Specifically, the City will maintain the confidentiality of any proprietary information to the extent permitted by law and agrees that, as required by the Public Information Act, it will notify Applicant if a request relating to the proprietary information is received. Applicant represents that it understands that the Public Information Act excepts disclosure of trade secret and confidential commercial information and that it will need to assert the proprietary interest of Applicant as a basis for nondisclosure.
- G. **Counterparts**. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute the same document.
- H. Employment of Undocumented Workers. During the term of this Agreement, Applicant agrees not to knowingly employ any undocumented workers as defined in Texas Government Code Section 2264.001. If convicted of a violation under 8 U.S.C. Section 1324a(f), Applicant shall repay the amount of the Grant payments received by Applicant from the City as of the date of the violation not later than 120 days after the date Applicant is notified by City of a violation of this section, plus interest from the date the Grant payment(s) was paid to Applicant, at the rate of 7% per annum. The interest will accrue from the date the Grant payment(s) were paid to Applicant until the date the reimbursement payments are repaid to City. City may also recover court costs and reasonable attorney's fees incurred in an action to recover the Grant payment(s) subject to repayment under this section.
- I. **Execution of Agreement**. The City Manager has received authority to execute this Agreement on behalf of the City from the City Council through approval of a resolution.
- J. **Force Majeure**. It is expressly understood and agreed by the parties to this Agreement that if the performance of any obligations hereunder is delayed beyond the party's reasonable control by reason of war, civil commotion, acts of God, severe weather, fire, other casualty, or court injunction, the party so obligated or permitted shall be excused from doing or performing the same during the period of delay, so that the time period applicable to the obligation or requirement shall be extended for a period of time equal to the period the party was reasonably delayed.

K. **Notices**. All notices required to be given under this Agreement shall be given in writing and shall be effective when actually delivered or when deposited in the United States mail, first class, postage prepaid, addressed to the party to whom the notice is to be given at the addresses shown below. Any party may change its address for notices under this Agreement by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, each party agrees to keep the other informed at all times of its current address.

Applicant shall provide all required invoices and other required documentation to City electronically at the following address: EDcompliance@elpasotexas.gov

CITY: City of El Paso City Manager

P.O. Box 1850

El Paso. Texas 79950-1850

Copy To: City of El Paso

Economic & Intl. Development - Director

P.O. Box 1850

El Paso, Texas 79950- I850

APPLICANT: Laura Butler: Executive Director

Pioneers 21, Inc.

500 W. Overland Avenue Suite 230 El Paso, TX. 79901

- L. **Ordinance Applicability**. The signatories hereto shall be subject to all ordinances of the City, whether now existing or in the future arising; provided, however, no ordinance shall reduce or diminish the contractual obligations contained herein. This Agreement shall confer no vested rights on the Project unless specifically enumerated herein.
- M. **Severability**. In the event any provision of this Agreement shall be determined by any court of competent jurisdiction to be invalid or unenforceable, the Agreement shall, to the extent reasonably possible remain in force as to the balance of its provisions as if the invalid provision were not a part hereof.

[SIGNATURES BEGIN ON THE FOLLOWING PAGE]

of,	the parties have executed this Agreement on this 2024.
	CITY OF EL PASO, TEXAS:
	Cary Westin Interim City Manager
APPROVED AS TO FORM:	APPROVED AS TO CONTENT:
	202
Oscar Gomez Assistant City Attorney	Karina Brasgalla, Interim Director Economic and International Developmen
AC	KNOWLEDGMENT
STATE OF TEXAS COUNTY OF EL PASO	§ § §
This instrument was acknowledged bef Cary Westin, Interim City Manager of	
	Notary Public, State of
My Commission Expires:	

(Signatures Continue on the following Page)

APPLICANT: PIONEERS 21, INC., A corporation authorized to do business in Texas

By: Jauraf Butter

Name: Lawaf Butter

Title: Executive Director

ACKNOWLEDGMENT

STATE OF TEXAS §
COUNTY OF EL PASO §

This instrument was acknowle	edged before me on the OF of APril	, 2024, by
Laura P. Butter	, as Executive Director(title) for Pic	oneers 21, Inc.
	1 2	

Notary Public, State of 12

My Commission Expires:

01/06/2027

ANGELIQUE PEREZ
Notary Public, State of Texas
Comm. Expires 01-06-2027
Notary ID 134130554

EXHIBIT A

(PROJECT)

Pioneers 21, Inc., headquartered at 500 W. Overland Ave. Suite 230, 79901, El Paso, TX shall provide high-quality business incubation services on behalf of each Client Company and each Graduate Company. The services included shall be infrastructure services (e.g., use of facilities, furniture, high-speed internet access, mail delivery, conference rooms, telephone service, shared services, and other facility-related benefits); access to operational support services (e.g., in-kind professional support, accounting/financial management, human resources, and legal); and access to strategic support services (e.g., strategic partner networks, entrepreneurial education and training, access to investor financing and capitalization, product development, commercialization, and marketing, intellectual property strategy, business strategy and planning, links to higher education, specific-sector expertise, and linkages to mentors, advisory teams, and potential board of directors' candidates).

EXHIBIT B

(PROJECT BUDGET)

In order for the Applicant to be eligible for any Grant Payment, Applicant is required to provide an annual report that demonstrates full-compliance with the budget items described below in "Chapter 380 Agreement – COEP Metrics."

PIONEERS21				
ANNUAL CHAPTER 380 BUDGET				
2024 - 2028				
Business Support Salaries & Fringes				
Executive Director (FTE)	\$	125,330.00		
Project Director (FTE)	\$	45,000.00		
Office Assistant	\$	19,500.00		
Total	\$	189,830.00		
Operating Expenses including but not limited to:				
Programming Operations	\$	25,900.00		
Instructors/Materials/Roundtables	\$	18,500.00		
Contractors	\$	5,000.00		
Equipment Rental - Printer		2,400.00		
Business Operations		30,770.00		
Common Area Maintaince Cost	s	19,270.00		
Accounting - Taxes/Audits/Bookkeeping		4,000.00		
Payroll Processing (Quickbooks - Software)	\$	2,400.00		
Telecommunications	s	3,600.00		
General Liability Insurance		1,500.00		
Travel		3,500.00		
		-		
Total	\$	60,170.00		
Grant Total	\$	250,000.00		

EXHIBIT C

(PERFORMANCE METRICS)

In order for the Applicant to be eligible for any Grant Payment, Applicant is required to provide a monthly report that demonstrates compliance with the performance metric items described below:

Chapter 380 Agreement - COEP Metrics PIONEERS21 **Yearly Proposed Metrics** Year 1 Year 2 Year 3 Year 4 **Performance Metric** Metrics Metrics Metrics Metrics Benchmark Survey · Minimum of 20 surveys completed Total Number of Program Applicants (New/Existing) • Innovation Accelerators Workshops (C-1) 30 35 37 40 • Pioneers 21 Venture Mentoring Service Business Model Canvas (C-2) Access To Capital Referrals 15 15 15 15 · CDFI or other banking/financial institutions 6 8 10 Number of Entrepreneurs Securing Working Capital 12 25 Innovation Accelerators Workshops Graduates 30 35 37 Pioneers 21 Venture Mentoring Service Business Model 20 20 20 20 Canvas Graduates



[&]quot;To inspire & incubate businesses and entrepreneurs through mentorship, training, and connection."

EXHIBIT C-1

(INNOVATION ACCELERATORS WORKSHOPS)

PIONEERS2

INNOVATION
ACCELERATORS
WORKSHOP





"To inspire & incubate businesses and entrepreneurs through mentorship, training, and connection."

Innovation Accelerators Workshops Overview



The Pioneers 21 Innovation Workshops Series is a program designed to help entrepreneurs and innovators learn to develop, test, and grow new business ideas, products, or services before bringing them to market using a collaborative structured approach.

This series teaches you to use innovation methodologies, disciplines, and tools such as design thinking, lean start-up, and business model design across all industries and phases of the innovation process.

Fall 2024 Workshops - Series 1



Business Model Design and Lean Canvas

- Business Model Design is the process of creating a blueprint outlining how a company will create, deliver and capture value
- Lean Canvas Model streamlines the business model by breaking it down into essential components, facilitating rapid iteration

Customer Discovery and Traction Roadmaps

- Identifying and validating customer problems and needs through interviews, surveys and other research methodologies
- Explores how to develop a roadmap for acquiring customers and growing the business

Business Model Validation

• Validating a business model entails collecting feedback and data from potential customers, partners, and stakeholders to gauge its feasibility and appeal, ensuring its viability and sustainability

Problem Discovery and Solution Design

 Assisting entrepreneurs in pinpointing and defining the critical challenges encountered by their target customers, followed by devising innovative solutions to effectively tackle these issues

Talking to Investors for the First Time

• Equips entrepreneurs to adeptly communicate their business ideas, value propositions, and financial projections to potential investors, emphasizing confidence-building, aligning with investor expectations, and crafting a compelling pitch

1 on 1 Pitch Deck Review

• Meeting one-on-one with a Venture Capitalist to assess the quality of pitch decks for various ventures

Winter 2025 Workshops - Series 2



Introduction to MVPs, UX/UI Design, and Competitor Analysis

• Introducing core principles of Minimum Viable Products (MVPs) while offering insights into UX/UI design principles; includes strategies for effective competitor analysis to refine product development skills

Positioning, Storytelling and Customer-Centric Development

• Teaching strategic positioning methods, with a focus on compelling storytelling for effective communication. Also, exploring customer-centric development approaches to create products that match user needs and preferences

Identifying Core Features, Wireframing, Mockups and Product Stickiness

• Guides participants in identifying essential core features for product development and teaches the practical skills of wireframing and creating mockups, while delving into strategies for enhancing product stickiness, fostering user engagement and retention

Translating Mockups to No Code Bubble.io App

• Instruct participants on translating design mockups into functional applications using the no-code platform Bubble.io; covers hands-on techniques for building and deploying apps, empowering students to bring their design concepts to life without traditional coding

Final Presentation, Heuristic Evaluation and Usability Testing

• Focuses on honing presentation skills for showcasing a final product, incorporating heuristic evaluation principles to refine user interface design, while gaining practical insights into usability testing methods to ensure the effectiveness and user-friendliness of their creations

Testing, Iterating and Next Steps

• Guides participants through the testing and iteration phases, arming them with the skills to fine-tune their projects and delineate strategic next steps in the development process

Al Innovation Workshops



For Learners (students + public): Certificate of Completion (microcredential)

Introduction to AI models: This course provides a foundational understanding of various AI models, including machine learning and deep learning. Students will learn about the basic principles behind these models and how they are used in real-world applications.

Prompt "Engineering": This course focuses on the concept of prompt engineering in AI, teaching students how to design effective prompts for AI models to achieve desired outputs. Topics include prompt formulation, parameter tuning, and evaluation.

Al Tools Comparisons by Teams: In this course, students will explore different Al tools and platforms used in the industry. They will compare the features, capabilities, and limitations of these tools through team-based projects and presentations.

Hallucinations/Verification: This course examines the phenomenon of hallucinations in AI models, where models generate incorrect or nonsensical outputs. Students will learn techniques for verifying and mitigating hallucinations in AI systems.

Resources (Google Doc or other): This course provides a curated list of resources, including articles, research papers, and tutorials, to help students deepen their understanding of AI models. The resources are shared through a Google Doc or other platform for easy access.



Al Innovation Workshops



For Projects (entrepreneurs + students + public): Certificate of Completion (microcredential)

Beyond Prompt Engineering: Building on the fundamentals of prompt engineering, this course delves into advanced techniques and strategies for optimizing prompts to achieve specific goals in AI models.

JSON Responses, Function Calling: This course teaches students how to work with JSON (JavaScript Object Notation) responses in A1 applications, including how to parse JSON data and make function calls based on the response.

Custom Instructions/ A gents/ A ssistants: Students will learn how to create custom instructions, agents, and assistants for A1 systems, enabling them to tailor A1 models to specific tasks and domains.

RAG (Retrieval Augmented Generation): This course introduces students to the RAG framework, which combines retrieval-based and generation-based approaches in AI. Students will learn how to implement RAG in practical applications.

Workshop by Industry Teams: Industry professionals will lead workshops where students can learn about the latest trends, technologies, and best practices in AI development and deployment from real-world examples and case studies.

Thinking in Tokens: This course teaches students how to think in tokens, which are discrete units of information used in A1 models. Students will learn how to manipulate tokens to control the behavior of A1 systems.

Microsoft Startup Founders: This course is designed for startup founders interested in leveraging Microsoft technologies for their Al projects. It covers Microsoft's Al tools, platforms, and resources for startups.

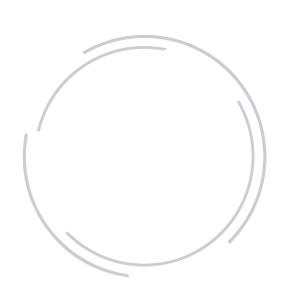
(wip) + Learners Resources: This course is a work in progress and will include additional resources and materials for learners interested in A1 development and applications.















ADDRESS:

500 W Overland Ave Suite 230 El Paso, TX 79901 Website: www.Pioneers21.org
Email: Admin@Pioneers21.org

EXHIBIT C-2

(PIONEERS 21 VENTURE MENTORING SERVICE BUSINESS MODEL CANVAS)

PIONEERS21

VENTURE MENTORING SERVICE (VMS)





"To inspire & incubate businesses and entrepreneurs through mentorship, training, and connection."

PIONEERS 21 Venture Mentoring Service (VMS)



Established in March 2022, P21 Venture Mentoring Service is a confidential team mentoring service, operating under a license from *MIT Venture Mentoring Service*, dedicated to supporting entrepreneurs in the Borderland region. We facilitate connections between startups and small businesses, providing access to expert mentors to foster the growth of their ventures at no cost.

P21 VMS fosters entrepreneurial activity and growth in our region, in alignment with our mission. By offering valuable support activities for entrepreneurs, we aim to enhance conditions for business success and bolster economic activity within the community.







The VMS Model



Strict Guiding Principles & Code of Ethics



Empowering
Entrepreneurs Through
Team Mentoring
Methodology



Dedicated Mentors

Driving Entrepreneurial

Excellence



Nurturing
Entrepreneurs and
Sustainable Ventures
for Economic
Prosperity



Mentors providing practical, actionable advice

PIONEERS 21 VMS Mentors



Jessica Christianson, VP Sustainability, EP Electric

Edmundo Salazar, Manager of Strategic Alignment, EP Electric

Miguel Marquez, Owner of FocalPoint

Abigail Tarango, PhD, Executive Director of UMC Foundation

Dr. Luis Martinez, Sr. Venture Associate for Capital Factory

Aliana Apodaca, President of Positive Directions Company

Dr. Patricia Delgado, Founder/CEO of Bridgidy Group, Co-Founder of El Puente Institute

Chelsie Evaldi, Founder of Chuco Relic

David Saucedo II, President of Saucedo Companies

Diego Burciaga, Founder of Valles y Crestas Photography

Karlos Lazo, Co-Founder of Lube X-press and Lazo Holdings

Dr. Meagan Kendall, Associate Engineering Professor

Dr. David Novick, Founder of Mike Loya Center at UTEP, Entrepreneur in Residence for MCA Foundation, Past Professor of Engineering Education and Leadership David Marek, Founder of DropDev

Denisse Olivas, Founder of 11-D Marketing

Steven Yellen, Retired Financial Advisor & Community Leader

Guillermo Asiain Enrique, Founder & Principal of Level Up Coaching

Dr. Erik Devos, Professor, Senior Associate Dean, UTEP

Dr. Eric MacDonald, Professor and Associate Dean, UTEP

Carlos Garcia Aguilar, Managing Partner, Defense Firm by GG Law Group

Dr. Joseph Villescas, CEO Villescas Research, Media & Instruction, LLC

Omar Martinez, Consultant, City of El Paso

Susan Schaechner, High Impact Tutor for EPISD

Ruben Alvarez, Founder of Marketing Hunters

Humberto Caballero, President of XP Logistics & Customs Brokers

Anne Mitchell Hussmann, Founder/Owner of So El Paso

Diana Salas, PHR, SHRM-CP, sHRBP, Manager, HRBP of ADP

Pace Jaworski, Owner of Double Dog Dare Bakery LLC, Senior Trial Attorney for Serra Law Firm PLLC

Jorge Ojeda, PE, President of HAWK Construction

Joseph Trimble, Segment Influencer for Wells Fargo

Chris Jensen, MBA, Owner/Founder of Keirgen Services LLC, Adjunct Professor of Park University

Robert Peterson, Owner/Principal of Consulting & Coaching

Thea Zimnicki, Lawyer and Founder of CX and Ops

Ashley Lozoya Gonzalez, Marketing Manager, Spectrum Reach

Frank Spencer III, President of Aztec Contractors

Dr. Ginger Raya, EdD, MHA, MPA, Associate Professor of UTHealth Houston

Vanessa Tena, MBA, Sheriff's Department Public Affairs Director

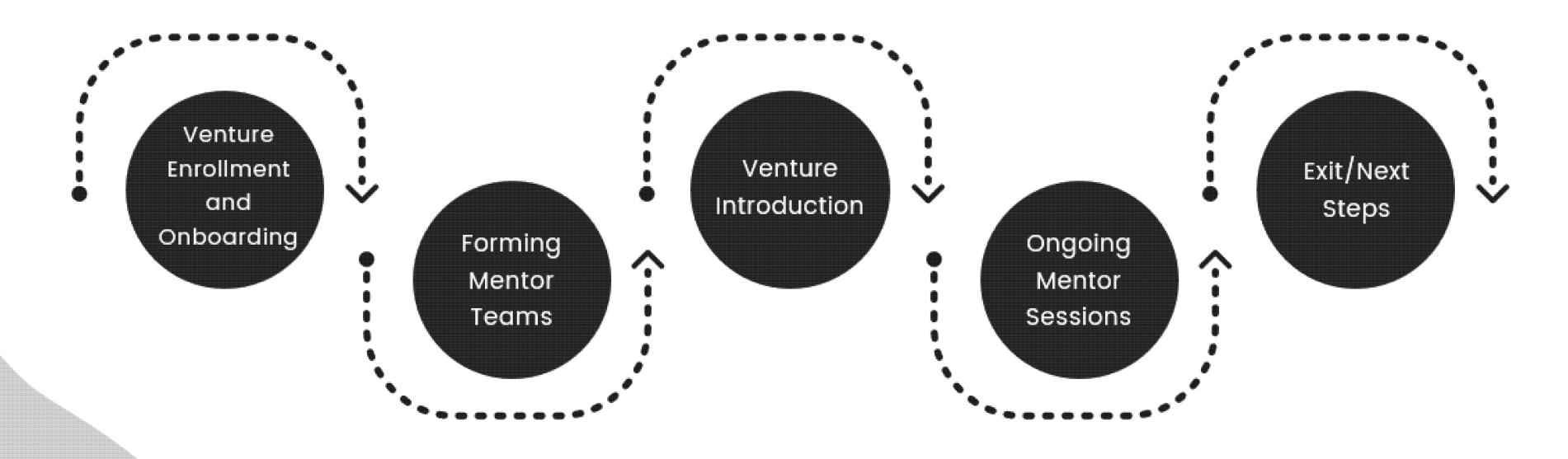
Total: 37 Mentors







VMS Process Timeline







Benefits



Enriched Guidance: Tapping into Diverse Mentor Expertise and Networks



Tailored Mentorship: Adapting Teams to Venture Evolution



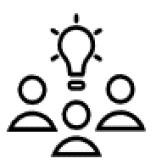
Individualized Mentorship:

Personalized 1-on-1

Sessions



Strategic Guidance: Focused Advice and Collaborative Brainstorming



Actionable Insights: Confidential Guidance for Immediate Impact







CHALLENGE

Series of Prep Workshops

- The Fundamentals of Pitching
- Patents and Intellectual Property
- Pitch Practice Day
- Pitch Review with a Venture Capitalist

Seed Capital Prize



1st Place: \$6,000

2nd Place: \$4,000

3rd Place:

\$2,000







The inaugural P21 VMS Pitch Challenge was organized for startups at different development stages under P21's umbrella.

Winners received a total of \$12,000 in seed capital.



1st Place: FundMiner



2023 Winners Left to right: GCM Innovations, Telewellness Hub, Fundminer



2nd Place: Telewellness Hub



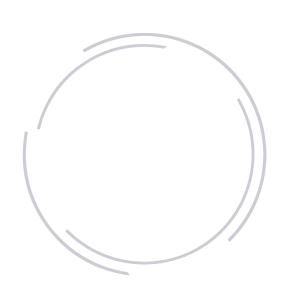
3rd Place: G.C.M. Innovations















Website: www.Pioneers21.org
Email: Admin@Pioneers21.org

EXHIBIT D

(ANNUAL REPORT)

Applicant is required to provide the results of the Benchmarking Survey (**EXHIBIT D-1**) within 90 days of execution of this agreement. The survey results must contain a minimum of 20 responses from existing clients.

An annual report that includes descriptions reporting on the outcome metric items detailed below.

- (1) Results of the Benchmarking Survey (**EXHIBIT D-1**)
- (2) Results of the Performance Metric (**EXHIBIT C**)

EXHIBIT D-1

(SURVEY)

Pioneers 21 Annual Survey 2023-2024

* Indicates required question Name * 1. 2. Email * Do you wish to participate in this survey? * 3. Mark only one oval. Skip to question 4 Yes No **Business Information** Name of Business * 4. Registered Business Owner Name(s) * Respondent's Title within Company *

7.	Business Email Address *
8.	Business Phone Number *
9.	Business Address *
10.	Business Mailing Address *

13.	When was your company founded? *					
	Mark only one oval.					
	O-2 years ago					
	3-5 years ago					
	6-10 years ago					
	10+ years ago					
14.	What year did your company become a client/participant at Pioneers 21? *					
	Mark only one oval.					
	2011-2021					
	2022					
	2023					
	2024					
15.	Is your company still a client/participant at Pioneers 21? *					
	Mark only one oval.					
	Yes Skip to question 18					
	No Skip to question 16					
Skip	to question 16					

16.	When did your company leave Pioneers 21? *			
	Mark only one oval.			
	2011-2021			
	2022			
	2023			
	2024			
17.	What was your main reason for leaving Pioneers 21? *			
	Mark only one oval.			
	Completed incubator graduation goals			
	Completed your own business graduation goals and/or was ready to go on your own			
	Costs were too high			
	Other:			
Skip	to question 18			
18.	Number of FULL-TIME employees at company's inception (counting yourself) *			
	Mark only one oval.			
	<u> </u>			
	3-5			
	6-10			
	11+			

19.	Number of FULL-Time employees now *
	Mark only one oval.
	0-2
	3-5
	<u> </u>
	11+
20.	Number of PART-TIME employees at company's inception *
	Mark only one oval.
	<u> </u>
	3-5
	<u> </u>
	<u> </u>
21.	Number of PART-TIME employees now *
	Mark only one oval.
	0-2
	3-5
	6-10
	<u> </u>
Fir	nancial Standings
Ple	ease answer the following questions based on your company's current financial standing.

22.	Total Revenue (Sales) *				
	Mark only one oval.				
	\$0 - \$250,000				
	\$250,001 - \$500,000				
	\$500,001 - \$1,000,000				
	\$1,000,001+				
23.	Total Debt *				
	Mark only one oval.				
	\$0 - \$250,000				
	\$250,001 - \$500,000				
	\$500,001 - \$1,000,000				
	\$1,000,001+				
24.	Net Income *				
	Mark only one oval.				
	\$0 - \$250,000				
	\$250,001 - \$500,000				
	\$500,001 - \$1,000,000				
	\$1,000,001+				

25.	Number of Loan(s) Acquired *				
	Mark only one oval.				
	o				
	1				
	2				
	<u>3</u>				
	4				
	<u>5</u> +				
26.	Average Dollar Amount of Loan(s) Acquired *				
	Mark only one oval.				
	\$0 - \$250,000				
	\$250,001 - \$500,000				
	\$500,001 - \$1,000,000				
	\$1,000,001+				
27.	Source/Loan Provider *				

28.	Number of Grants Acquired *
	Mark only one oval.
	o
	1
	2
	<u>3</u>
	<u>4</u>
	<u>5+</u>
29.	Average Dollar Amount of Grant(s) Acquired *
	Mark only one oval.
	\$0 - \$250,000
	\$250,001 - \$500,000
	\$500,001 - \$1,000,000
	\$1,000,001+
20	Course (Crosst Browides *
30.	Source/Grant Provider *
31.	Self-Investment *
	Mark only one oval.
	\$0 - \$250,000
	\$250,001 - \$500,000
	\$500,001 - \$1,000,000
	\$1,000,001+

32.	Other Forms of Revenue *
	Check all that apply.
	□ N/A
	Crowd-sourcing
	Venture Capital
	☐ Angel Investor(s)
	Other:
22	Number of Detects Associated
33.	Number of Patents Acquired *
	Mark only one oval.
	o
	1
	2
	<u>3</u>
	<u>4</u>
	<u>5</u> +
34.	Number of New Jobs Created in 2023-2024 *
	Mark only one oval.
	o
	1-2
	3-5
	<u>5+</u>
	<u> </u>

35.	Wage Expenses for 2023-2024 *					
	Mark only one oval.					
	\$0 - \$10,000					
	\$10,001 - \$50,000					
	\$50,001 - \$100,000					
	\$100,001+					
36.	Did you experience growth in Revenue in 2023-2024? *					
	Mark only one oval.					
	Yes					
	No					
37.	Did you have any white publications, publications, advancements, research, etc.? *					
	Mark only one oval.					
	Yes					
	No					
Ov	verall Experience and Effectiveness of Pioneers21					
Dla	eace rate your experience and the effectiveness of Dioneers 21's programs in the following					

Please rate your experience and the effectiveness of Pioneers21's programs in the following areas:

	Mark only o	ne o	val.			
	1	2	3	4	5	
	High (Highly Satisfied
39.	Access to	Сар	ital ·	- Loa	ıns, (Grants, Crowdfunding, etc. *
	Mark only o	ne o	val.			
	1	2	3	4	5	
	High (Highly Satisfied
4 0	Rusiness I	Vetw	ıork	Con	nect	ions *
40.	Business I			Con	nect	ions *
40.	Mark only o	ne o	val.			ions *
40.			val.			ions *
40.	Mark only o	ne o	val.			ions * Highly Satisfied
40.	Mark only o	ne o	val.			
40.	Mark only o	2	3 <u></u>	4	5	
	Mark only o	2 co St	3 rate	4	5	Highly Satisfied
	Mark only o	2 so St	yal. 3 rate	4	5 Oartn	Highly Satisfied

38. Business Assessment *

42.	Marketing Assistance *					
	Mark only one oval.					
	1 2 3 4 5					
	High O O Highly Satisfied					
43.	General Legal Services *					
	Mark only one oval.					
	1 2 3 4 5					
	High Highly Satisfied					
44.	Comprehensive Business Training *					
	Mark only one oval.					
	1 2 3 4 5					
	High Highly Satisfied					
45.	Human Resources *					
	Mark only one oval.					
	1 2 3 4 5					
	1 2 3 4 5 High					

46.	Product Design & Development *
	Mark only one oval.
	1 2 3 4 5
	High O O Highly Satisfied
47.	Office/Incubator Space Resources *
	Mark only one oval.
	1 2 3 4 5
	High O O Highly Satisfied
48.	Personal Development/Training *
	Mark only one oval.
	1 2 3 4 5
	High O O Highly Satisfied
49.	Would you recommend Pioneers 21? *
	Mark only one oval.