



Legislation Text

File #: 21-65, Version: 1

**CITY OF EL PASO, TEXAS
AGENDA ITEM SUMMARY FORM**

All Districts

Economic and International Development, Elizabeth Triggs, (915) 212-1619

PUBLIC HEARING DATE: 1/19/2021

STRATEGIC GOAL:

Goal 1 - Create an Environment Conducive to Strong Sustainable Economic Development

SUBGOAL: Choose an item.

SUBJECT:

APPROVE a Resolution / Ordinance / lease to do what? OR AUTHORIZE the City Manager to do what? Be descriptive of what we want Council to approve. Include \$ amount if applicable.

Discussion and action on a Resolution that the Texas Economic Development Fund Incentive Program - Policy and Guidelines be adopted as the Economic Development Fund contemplated in the January 28, 2020 order issued by the Public Utility Commission of Texas, Docket No. 49849.

BACKGROUND / DISCUSSION:

Discussion of the what, why, where, when, and how to enable Council to have reasonably complete description of the contemplated action. This should include attachment of bid tabulation, or ordinance or resolution if appropriate. What are the benefits to the City of this action? What are the citizen concerns?

Early last year, the City, in its capacity as a primary local utility regulator and franchise agreement grantor, approved the acquisition of El Paso Electric by Sun Jupiter Holdings, as well as the continued use of City-owned right-of-ways in the provision of electric utility service by EPE to its customers following acquisition closing. As consideration for these approvals, the City worked to secure commitments from EPE and IIF that preserve and enhance the utility's presence and investment in our community.

Central to those commitments was the establishment of the Texas Economic Development Fund (the "TED Fund"), an \$80 million fund to be funded by Sun Jupiter over a period of 15 years and administered by the City of El Paso for the purpose of promoting economic development within EPE's Texas service territory. This fund is in addition to the current street rental charge due to the City by EPE as consideration for EPE's use of City-owned streets, sidewalks and other right-of-ways in the delivery of electric service utility to EPE's customers, a portion of which is set aside for the purpose of promoting economic development through the City's "Impact Fund."

In accordance with the amended franchise agreement (Ordinance No. 019022) and the January 28, 2020 order issued by the Public Utility Commission of Texas (Docket No. 49849), the attached policy and guidelines has been developed to govern the City's administration and use of the TED Fund.

PRIOR COUNCIL ACTION:

Has the Council previously considered this item or a closely related one?

On February 4, 2020, the City Council approved the acquisition of El Paso Electric by Sun Jupiter and additionally approved the third amendment to the City's franchise agreement with El Paso Electric. As consideration for these approvals, Sun Jupiter agreed to fund the Texas Economic Development Fund and the City agreed to administer the fund contingent on the adoption of a policy governing use of the fund.

AMOUNT AND SOURCE OF FUNDING:

How will this item be funded? Has the item been budgeted? If so, identify funding source by amount numbers and description of account. Does it require a budget transfer?

\$80 million (approximately \$5.3 million annually for a 15 year period beginning December 2020) to a restricted fund as described in Ordinance No. 019022.

*****REQUIRED AUTHORIZATION*****

Department Head:

If Agenda Item Summary Form is initiated by Purchasing, client department should sign also