

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

DEPARTMENT: Economic & International Development Department

AGENDA DATE: February 3, 2015 CCA Regular

CONTACT PERSON/PHONE: Cary S. Westin, Managing Director, (915) 212-1614

DISTRICT(S) AFFECTED: District 2

SUBJECT:

Discussion and action on a resolution that the City Manager be authorized to execute a Chapter 380 Grant Agreement by and between the City of El Paso, Texas a home-rule municipality of El Paso County, Texas and Douglas Steel Supply of Texas, LLC, a Texas Limited Liability Company for the relocation and construction of its steel processing business within the city limits of the City of El Paso. [Economic & International Development, Cary S. Westin, Managing Director, (915) 212-1614].

BACKGROUND/DISCUSSION:

The company is proposing to expand its steel processing operations to El Paso at a facility located at 16 Zane Grey to create 55 new jobs over a 7 year period and invest \$3,000,000 in real and personal property. The company brings a unique capability to the region as a strategic supplier by providing in-house high quality steel processes such as mill flat sheet, slit coils and state of the art blanking to customers' specifications, including custom sizes. The company provides services to specific industry groups which include: commercial and precision metal stampers, computer cabinetry and electronic enclosure manufacturers, home hardware producers, steel office furniture manufacturers and all commercial and precision metal fabricators.

PRIOR COUNCIL ACTION:

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

No

AMOUNT AND SOURCE OF FUNDING:

General Fund

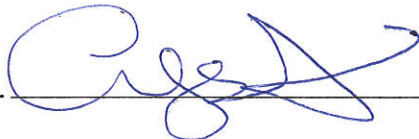
BOARD/COMMISSION ACTION:

Enter appropriate comments or N/A.

N/A

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

DEPARTMENT HEAD:



RESOLUTION

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

That the City Manager be authorized to execute a Chapter 380 Grant Agreement by and between the **CITY OF EL PASO, TEXAS**, a home-rule municipality of El Paso County, Texas and **DOUGLAS STEEL SUPPLY OF TEXAS, LLC**, a Texas limited liability company for the relocation and construction of its steel processing business within the city limits of the City of El Paso.

PASSED AND APPROVED this ____ day of _____ 2015.

CITY OF EL PASO, TEXAS

ATTEST:

Oscar Leeser
Mayor


Richarda Duffy Momsen
City Clerk

APPROVED AS TO FORM:



Karla M. Nieman
Assistant City Attorney

APPROVED AS TO CONTENT:



Cary S. Westin, Managing Director
Economic & International Development

STATE OF TEXAS)
)
COUNTY OF EL PASO) **CHAPTER 380 ECONOMIC DEVELOPMENT
PROGRAM AGREEMENT**

This **Chapter 380 Economic Development Program and Agreement** (this "Agreement") is made and entered into by and between the **CITY OF EL PASO, TEXAS** (hereinafter referred to as "**City**"), a Texas home rule municipal corporation, and **DOUGLAS STEEL SUPPLY OF TEXAS, LLC**, a Texas limited liability company (hereinafter "**Applicant**") 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

WHEREAS, the **City** desires to provide, pursuant to Chapter 380, an incentive to **Applicant** to locate its operations as more fully described below; 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 expansion and construction of **Applicant's** operations occur in the City of El Paso; and

WHEREAS, the relocation and construction of the **Applicant's** operations will encourage increased economic development in the **City**, provide significant 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 clearly promotes economic development in the City of El Paso and, as such, meets the requisites under Chapter 380 of the Texas Local Government Code and further, 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 exhibits and schedules attached to this Agreement.
- B. **Applicant.** The word “Applicant” means **DOUGLAS STEEL SUPPLY OF TEXAS, LLC**, a Texas limited liability company.
- C. **City.** The word “City” means the City of El Paso, Texas.
- D. **Development.** The word “Development” means the construction of the **Applicant’s** operations located at, 16 Zane Grey, El Paso, Texas, as more fully described on **Exhibit “A”**, which is attached hereto and incorporated herein for all purposes.
- E. **Full-Time Employment.** The words “Full-Time Employment” mean a job requiring a minimum of two thousand and eighty (2,080) hours of work averaged over a twelve (12) month period, including allowance for vacation and sick leave, with full company benefits, including company paid health insurance (Employee must not be required to pay more than fifty percent (50%) of the premium) with such jobs being located at the Development, within the City of El Paso, Texas. These requirements are more completely described in **Exhibit “B”**, which is attached hereto and incorporated herein for all purposes.
- F. **Grant.** The word “Grant” means each annual payment to **Applicant** under the terms of this Agreement computed as an amount not to exceed the total cumulative value of the **City’s** portion of the incremental ad valorem property tax revenue generated by the subject property in the Development identified in Exhibit A above the Base Year Value for the Grant Period and payable from the **City’s** general revenue fund.
- G. **Grant Submittal Package.** The words “Grant Submittal Package” mean the documentation required to be supplied to the **City** on a yearly basis as a condition of receipt of any Grant, with such documentation more fully described in **Exhibit “C”**, which is attached hereto and incorporated herein for all purposes.
- H. **Qualified Expenditures.** The words “Qualified Expenditures” means those costs incurred by **Applicant** in the acquisition, construction or furnishing of the Development.

SECTION 2. TERM AND GRANT PERIOD.

The term of this Agreement shall be nine (9) years from the Effective Date of this Agreement. The Effective Date of this Agreement shall be the date upon which both parties have fully executed this Agreement, as noted below. However, the **Applicant’s** eligibility for Grant payments shall be limited to seven (7) consecutive years (the “Grant Period”) within the term of this Agreement. The Grant Period shall begin with the first year being the first tax year that begins after: (i) the issuance of the Certificate of Occupancy for the Development; and, (ii) the **Applicant** having met the Full Time Employment job requirements noted in Exhibit “B”, which is attached hereto and incorporated herein for all purposes. Failure of the **Applicant** to receive the Certificate of Occupancy for the Development and meet its Full Time Employment job requirements in accordance with **Exhibit “B”** shall result in the immediate termination of this Agreement. The

City shall review **Applicant's** eligibility for Grant Payments on an annual basis during the Grant Period.

SECTION 3. OBLIGATIONS OF APPLICANT.

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

- A. **Applicant** agrees to develop, construct, and operate, at its sole cost, the Development. **Applicant** shall commence construction and or improvements of the Development at the beginning of calendar year 2015. **Applicant** shall receive a Certificate of Occupancy, and be open for business to the general public by the end of calendar year 2015. **Applicant** agrees that it shall make Qualified Expenditures of not less than Three Million and 00/100 Dollars (\$3,000,000.00) in the Development. The **City** shall be permitted to review **Applicant's** receipts of Qualified Expenditures to evidence the expenditure of a minimum amount of Three Million and 00/100 Dollars (\$3,000,000.00).
- B. **Applicant** agrees that it shall maintain the Full-Time Employment positions described in Exhibit "B" for the Development through the entire Grant Period of this Agreement. **Applicant** shall maintain the Full-Time Employment positions for each quarter of each fiscal year with the total per day hours worked averaged over each fiscal quarter.

Applicant shall provide the **City** with an annual report by April 30th of each year during the entire Grant Period of this Agreement, certifying the status of compliance through the preceding year. Such annual report shall include the number of jobs retained for the Development, information on any new investments in the Development, and any other information relevant to the Development and the **City's** economic development goals. Documentation for jobs may be in the form of quarterly IRS 941 returns, Texas Workforce Commission Employer Quarterly Reports, or employee rosters that show the hours worked and the positions filled. **Applicant** shall also provide the **City** with such other reports as may reasonably be required.

Applicant, during normal business hours, at their principal place of business in El Paso, Texas, shall allow the **City** or its agents reasonable access to **Applicant's** employment records and books, and other records that are related to the economic development considerations and incentives described herein, to verify employment records and any other records related to the **City's** economic development considerations and incentives provided herein. The confidentiality of such records will be maintained in accordance with and subject to all applicable laws.

- C. Unless otherwise agreed by the **City** and **Applicant**, each Grant Submittal Package shall be in the form provided in **Exhibit "C"**. The **Applicant** will submit a Grant Submittal Package by April 30 of each year, the **City** may give **Applicant** written notice of their failure to timely submit such Grant Submittal Package, and **Applicant** shall have thirty (30) calendar days from the date on which such written notice is given in which to submit such Grant Submittal Package. Failure to timely submit a Grant Submittal Package is a waiver to receive a Grant for the period covered by the Grant Submittal Package.

The **City's** determination of the amount of the Grant payment due to **Applicant** is final; provided, however, that the **Applicant** may appeal to the City Council within thirty (30) days of payment. The City Council shall hear the appeal within thirty (30) days of request for appeal and the City Council's determination of the amount of the Grant payment shall be final. Nothing herein shall limit (or be construed to limit) **Applicant's** rights and remedies as described in Section 5 of this Agreement.

- D. **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 Development and any other property within the City of El Paso. The parties to this Agreement agree that the taxable value of the Development, after completion of all construction and improvements, will have a minimum base value of One Million Nine Hundred Ninety-One Thousand Eight Hundred Seventy-Five and 00/100 Dollars (\$1,991,875.00). **Applicant** shall have the right to contest the appraised value of the Development as provided by law. However, **Applicant** covenants and agrees that during the term of this Agreement they shall not challenge or permit anyone else to take actions on its behalf to challenge any assessments by the Central Appraisal District at \$1,991,875.00 or lower. It is the intent of the parties that the assessed value of the Development on the tax rolls shall have a minimum base value of \$1,991,875.00 during the term of this Agreement and any affirmative act by **Applicant** to reduce the assessed value to amount below \$1,991,875.00 will be deemed an event of default that will result in termination of this Agreement. Any action taken by the Applicant's landlord to reduce the Base Year Value below One Million Nine Hundred Ninety-One Thousand Eight Hundred Seventy-Five and 00/100 Dollars (\$1,991,875.00) will not be deemed an event of default, however, the calculation of Grant payments due to the Applicant shall be made as if the Base Year Value continued to be One Million Nine Hundred Ninety-One Thousand Eight Hundred Seventy-Five and 00/100 Dollars (\$1,991,875.00).

SECTION 4. 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. The **City** agrees to process any Grant Payments to **Applicant** within ninety (90) days after its approval of the **Applicant's** Grant Submittal Package. It is expressly understood by the parties to this Agreement that, except as otherwise provided herein, the payments contemplated in this Agreement in no way obligates the **City's** general fund or any monies or credits of the City and creates no debt of, nor any liability to, **Applicant** or third parties beyond the specific obligations contained herein. All payments made by the **City** under this Agreement are subject to appropriation of such funds for such payments to be paid in the budget year for which they are appropriated.
- B. Pursuant to the **City's** "Incentives Policy – Guidelines and Criteria" and a cost/benefit calculation completed solely by and at the **City's** discretion, the **City** shall determine the

total amount of Grant Payments due to the **Applicant**, if any, on an annual basis. The minimum amount of the Grant Payment the **Applicant** shall be eligible for each year shall be as set forth in Exhibit "B", subject to the annual appropriation of such funds by the El Paso City Council.

- C. The **City** shall determine the total amount of Grant payments due to the **Applicant**, if any, on an annual basis. Provided the **Applicant** satisfies all the requirements of this Agreement, **Applicant** shall be eligible for an annual Grant payment in an amount equal to fifty percent (50%) of the total value of the **City's** portion of the incremental ad valorem property tax revenue generated by the subject property above the Base Year Value for the Development for the given tax year during the Grant Period.

Under no circumstances shall the total aggregate of Grant payments exceed Eighty-Four Thousand Eight Hundred Six and 00/100 Dollars (\$84,806.00), or the total value of the **City's** portion of the incremental ad valorem property tax revenue generated by the subject property in the Development above the Base Year Value for the Grant Period, whichever is less, and payable from the **City's** general revenue fund.

SECTION 5. EVENTS OF DEFAULT.

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

- A. **Failure to Maintain Development and Job Requirements.** **Applicant's** failure or refusal to operate the Development and maintain required Full Time Employment pursuant to this Agreement through the entire Grant Period of this Agreement, and **Applicant's** failure or refusal to cure within thirty (30) days after written notice from the **City** describing such failure, shall be deemed an event of default. However, if such failure cannot be cured within such thirty (30) day period in the exercise of all due diligence, but the **Applicant** has not yet commenced such cure within such thirty (30) day period or fails to continuously thereafter diligently prosecute the cure of such failure, such actions or omissions shall also 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 thirty (30) days after written notice from the **City** describing the violation shall be deemed an event of default. If such violation cannot be cured within such thirty (30) day period in the exercise of all due diligence, and **Applicant** fails to commence such cure within such thirty (30) day period or fails to continuously thereafter diligently prosecute the cure of such violation, such actions or omissions shall also be deemed an event of default. Further, if **Applicant** obtains actual knowledge that any previously provided warranty, representation or statement has become 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 such warranty, representation or statement within ten (10) days after **Applicant** learns of its false or misleading nature, such action or omission shall be deemed an event of default. In the event this Agreement is terminated pursuant to this

Section, all Grant Payments previously provided by the **City** pursuant to this Agreement shall be recaptured and repaid by **Applicant** within sixty (60) days from the date of such termination.

- 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 such proceedings are discharged within sixty (60) days after filing, no event of default shall be deemed to have occurred.
- D. **Construction of Development.** **Applicant's** failure to comply with its construction obligations set forth in this Agreement and **Applicant's** failure to cure same within thirty (30) days after written notice from the **City** shall be deemed an event of default. If such failure cannot be cured within such thirty (30) day period in the exercise of all due diligence but **Applicant** fails or refuses to commence such cure within such thirty (30) day period or fails or refuses to continuously thereafter diligently prosecute such cure, except to the extent such failure is caused by any act or failure to act on the part of the **City**, such actions or omissions shall be deemed events of default.
- E. **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 such taxes and to cure such failure or post a satisfactory bond within thirty (30) days after written notice thereof from the **City** and/or El Paso Central Appraisal District, such 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 Development.
- F. **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** or **City** fails to cure such failure within thirty (30) days after written notice from the other party describing such failure shall be deemed an event of default. If such failure cannot be cured within such thirty (30) day period in the exercise of all due diligence, but if **Applicant** or **City** also fails or refuses to commence such cure within such thirty (30) day period or fails or refuses to continuously thereafter diligently prosecute the cure of such failure, such act or omission shall be deemed an event of default.
- G. **Failure to Cure.** If any event of default by **Applicant** shall occur, and after **Applicant** fails to cure same in accordance herewith, then this Agreement is terminated without any further action required of the **City** and the **City's** obligations end at that time. If a default has not been cured within the time frame stated herein, the non-defaulting party shall have all rights and remedies under the law or in equity.

SECTION 6. 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 ineffectual, impractical or illegal, including any case law holding that a Chapter 380 Economic Development Agreement such as this Agreement is an unconstitutional debt.

SECTION 7. 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 both 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' Rights.** **Applicant** understands and agree 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' Sale or Transfer of the Development.** Prior to any sale or other transfer of ownership rights in the Development, **Applicant** shall notify the **City** in writing of such sale or transfer within thirty (30) business days of the effectiveness of such sale or transfer. This provision is a material term of this Agreement and the failure to notify the **City** of such 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'** behalf warrants and represents that he or she has full authority to execute this Agreement and bind **Applicant** to the same.
- F. **Completion of Development.** As consideration for the agreements of the **City** as contained herein, **Applicant** agree that they will diligently and faithfully in a good and workmanlike manner pursue the completion of the Development and that the construction

of same will be in accordance with all applicable federal, state and local laws and regulations.

- G. **Confidentiality Obligations.** The confidentiality of such 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 such proprietary information is received. **Applicant** represents that they understand 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.
- H. **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 one and the same document.
- I. **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 such violation not later than one hundred twenty (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 seven percent (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. **Applicant** is not liable for a violation by its subsidiary, affiliate, or franchisee, or by a person which whom **Applicant** contracts.
- J. **Execution of Agreement.** The El Paso City Council has authorized the El Paso City Manager to execute this Agreement on behalf of the **City**.
- K. **Filing.** The **City** shall file this Agreement in the deed records of El Paso County, Texas.
- L. **Force Majeure.** It is expressly understood and agreed by the parties to this Agreement that if the performance of any obligations hereunder is delayed by reason of war, civil commotion, acts of God, inclement weather, fire or other casualty, or court injunction, the party so obligated or permitted shall be excused from doing or performing the same during such period of delay, so that the time period applicable to such obligation or requirement shall be extended for a period of time equal to the period such party was delayed.

- M. **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.

CITY: City of El Paso
City Manager
P.O. Box 1890
El Paso, Texas 79950-1890

Copy To: City of El Paso
Director Economic & International Development
P.O. Box 1890
El Paso, Texas 79950-1890

APPLICANT: Douglas Steel Supply of Texas, LLC
Rob Moeck, President
5764 Alcoa Ave.
Vernon, CA 90058

- N. **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 Development unless specifically enumerated herein.
- O. **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 such invalid provision were not a part hereof.

(SIGNATURES BEGIN ON THE FOLLOWING PAGE)

IN WITNESS WHEREOF, the parties have executed this Agreement on this ____ day
of _____, 201__.

CITY OF EL PASO, TEXAS

Tomás González
City Manager

APPROVED AS TO FORM:

Karla M. Nieman
Assistant City Attorney

APPROVED AS TO CONTENT:

Cary S. Westin, Managing Director
Economic & International Development

ACKNOWLEDGMENT

STATE OF TEXAS §
 §
COUNTY OF EL PASO §

This instrument was acknowledged before me on the ____ day of _____,
201__, by **Tomás González**, as **City Manager** of the **City of El Paso, Texas (CITY)**.

Notary Public, State of Texas

My Commission Expires:

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

APPLICANT: Douglas Steel Supply of Texas, LLC

Name: Douglas Stein
Title: President

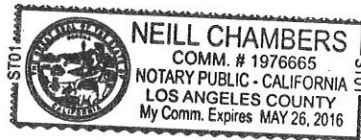
ACKNOWLEDGMENT

STATE OF California
COUNTY OF Los Angeles

This instrument was acknowledged before me on the 22nd day of January, 2015, by Douglas Stein, as President of **DOUGLAS STEEL SUPPLY OF TEXAS, LLC**, a Texas limited liability company (APPLICANT).

My Commission Expires:
May 26, 2016

Neill Chambers
Notary Public, State of California



[SIGNATURES CONTINUE ON FOLLOWING PAGE]

EXHIBIT A

Legal Description

Butterfield Trail Industrial Park, Replat A, Block 7, Lots 4 to 6

Development Description

[ENTER DEVELOPMENT DESCRIPTION]

EXHIBIT B

Employment Requirements & Grant Payment Eligibility

SECTION 1. MINIMUM JOB CREATION AND RETENTION REQUIREMENTS.

In order for **Applicant** to be eligible for any Grant Payments, **Applicant** is required to create and maintain the Full-Time Employment positions by December 31 of each full tax year of Grant Period as follows:

SOC	Occupation	Number of Employees									
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
11-1021	General Manager	1	1	1	1	1	1	1	1	1	1
43-3031	Bookkeeping Clerk	1	1	2	3	3	3	3	3	3	3
43-9061	Office Clerk, gen	1	1	3	2	2	3	3	3	3	3
49-9071	Maintenance,	1	2	3	3	3	3	3	3	3	3
51-4031	Multi-Cut, Machine Operator	3	6	9	9	9	9	9	9	9	9
51-4031	Slitter, Mach Operator	4	8	8	16	16	16	16	16	16	16
53-7062	Stock & Mater. Movers	2	4	6	12	12	12	12	12	12	12
53-7051	Truck Drivers	2	4	5	6	6	6	6	6	6	6
	Sales	1	2	3	3	3	3	3	3	3	3
	TOTAL	16	29	40	55	55	55	55	55	55	55

SECTION 2. ELIGIBILITY FOR GRANT PAYMENTS.

The **Applicant's** eligibility for Grant Payments and any subsequent Grant Payments made by the **City** to the **Applicant** shall be determined pursuant to and in accordance with the following:

Grant Payment amounts shall be based on the following:

50% Tax Rebate – 90 % or greater of Full-Time Employment positions created and maintained in accordance with Section 1 above

25% Tax Rebate – 80% - 89% of Full-Time Employment positions created and maintained in accordance with Section 1 above

Failure to create and maintain at least 80% of the Full-Time Employment positions in accordance with Section 1 above shall result in immediate termination of the Agreement.

SECTION 3. FULL-TIME EMPLOYMENT WAGES

Applicant, without amendment to this Agreement, may substitute job creation requirements in lower wage categories as outlined below with job creation requirements in higher wage categories outlined below on a one-to-one basis, as long as the overall number of job creations per year remains at no less than those stated above in Section 1 of this **Exhibit B**. Any substitution of job creation requirements in higher wage categories as outlined below with job creation requirements in lower wage categories is not permitted without a written amendment to this Agreement.

	No. Employees	Estimated Hourly Wages	Annual Salaries per job	Total Annual Salaries
General Manager	1	\$46.00	\$95,680.00	\$95,680.00
Bookkeeping Clerk	3	\$15.00	\$31,200.00	\$93,600.00
Office Clerk (Gen)	2	\$10.00	\$20,800.00	\$41,600.00
Maintenance	3	\$15.00	\$31,200.00	\$93,600.00
Multi-Cut Machine Operator	9	\$11.50	\$23,920.00	\$215,280.00
Slitter, Mach Operator I	11	\$12.00	\$24,960.00	\$274,560.00
Slitter, Mach Operator II	5	\$12.26	\$25,500.80	\$127,504.00
Stock & Mater, Movers	12	\$11.30	\$23,504.00	\$282,048.00
Truck Drivers	6	\$10.60	\$22,048.00	\$132,288.00
Sales	3	\$24.04	\$50,000.00	\$150,000.00

EXHIBIT C

[Grant Submittal Package Form]

Douglas Steel Supply of Texas, LLC, a Texas limited liability company ("Applicant") believe that it has substantially met its obligations under the Chapter 380 Agreement dated the ____ day of _____, 20__ and signed by _____ of **Applicant**. Pursuant to the Agreement, **Applicant** submit this Grant Submittal Package Form in compliance with the Agreement and in anticipation of receiving the Grant payments referenced in the Agreement in consideration for its obligations met therein.

As required by the Agreement, the following information is submitted.

1. Job Certification Annual Report plus attachments (all attachments as referenced within the Agreement).
2. Property Tax Payment Receipt(s) of payment for tax year _____.

It is understood by that the City of El Paso has up to ninety (90) days to process this request and reserves the right to deny the Grant claim if the terms of the Agreement have not been complied with.

APPLICANT: Douglas Steel Supply of Texas, LLC

Name: _____
Title: _____

ACKNOWLEDGMENT

STATE OF _____ §
§
COUNTY OF _____ §

This instrument was acknowledged before me on the ____ day of _____, 20__, by _____, as _____ of **Douglas Steel Supply of Texas, LLC, a Texas limited liability company (APPLICANT)**.

Notary Public, State of _____

My Commission Expires:
