

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

DEPARTMENT: City Development Department – Economic Development Division
AGENDA DATE: March 19, 2013
CONTACT PERSON/PHONE NUMBER: Marty Howell 915-383-8217
DISTRICT(S) AFFECTED: ALL DISTRICTS

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.

That the City Manager be authorized to sign the First Amendment to the Economic Development Program Grant Agreement between the City of El Paso (the "City") and The Hub of Human Innovation Inc. (the "Applicant") allowing the applicant to make transfers among existing budget categories and among existing budget years equal to or less than thirty percent (30%) of the total amount of the grant funding allocated for the budget year and expand Applicant's scope of services to include providing quarterly workshops free of charge to the public at their 500 W. Overland Ave. facility, subject to the terms and conditions in the First Amendment to the Economic Development Program Grant Agreement.

(All Districts) [City Development Department – Economic Development Division, Marty Howell, Director Economic Development and Sustainability 915-383-8217.

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?

This item is to approve an amendment for a program that encourages entrepreneurship, innovation and technology in order to create higher paying jobs within the city. The program detailed in the Hub of Human Innovation's Proposal to the City of El Paso is in need of secure funding to help maximize the impact they will bring to the community as measured by new company formation and job creation that will help drive economic development in the El Paso region. In consideration the applicant agrees to sponsor and host one workshop (Quarterly Public Workshop) open to the public and free of charge, at its 500 w. Overland Ave. location per quarter for a total of four (4) workshops a year. Topics covered in the workshops include, but are not limited to, the following: Law School for Startups, Factor Financing, Intellectual property, accessing working capital, crowd funding, manufacturing on the border, Ins and Outs of exporting/importing and opportunities & Ideas from National labs.

PRIOR COUNCIL ACTION:

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

A Chapter 380 Economic Development Program Grant agreement was previously approved by Council on August of 2011.

AMOUNT AND SOURCE OF FUNDING:

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

\$1,255,000 over 4 years (2011-2015); restricted fund as described in Ordinance 17460

BOARD / COMMISSION ACTION:

Enter appropriate comments or N/A

N/A

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

DEPARTMENT HEAD: _____

(If Department Head Summary Form is initiated by Purchasing, client department should sign also)
Information copy to appropriate Deputy City Manager

RESOLUTION

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

That the City Manager be authorized to sign the First Amendment to the Economic Development Program Grant Agreement between the City of El Paso (the "City") and The Hub of Human Innovation Inc. (the "Applicant") allowing the applicant to make transfers among existing budget categories and among existing budget years equal to or less than thirty percent (30%) of the total amount of the grant funding allocated for the budget year and expand Applicant's scope of services to include providing quarterly workshops free of charge to the public at their 500 W. Overland Ave. facility, subject to the terms and conditions in the First Amendment to the Economic Development Program Grant Agreement.

APPROVED AND ADOPTED this ____ day of _____, 2013.


CITY OF EL PASO

John F. Cook
Mayor

ATTEST:

Richarda Duffy Momsen
City Clerk

APPROVED AS TO FORM:



Matthew K. Behrens
Assistant City Attorney

APPROVED AS TO CONTENT:

Mathew McElroy, Director
City Development Department

COUNTY OF EL PASO) OF THE CITY OF EL PASO
(Impact Fund)

The First Amendment to the Economic Development Program Grant Agreement (this “Amendment”) is made this ____ day of _____, 2013, by and between the **CITY OF EL PASO** (the “City”), a Texas home rule municipal corporation, and **THE HUB OF HUMAN INNOVATION, INC.** (the “Applicant”), a Texas non-profit corporation.

WHEREAS, on August 9, 2011, the City and Applicant entered into an Economic Development Program Grant Agreement (the “Agreement”) a copy of which is attached and labeled as Exhibit “A”, for the purposes of promoting local economic development and stimulating business and commercial activity within the City of El Paso; and

WHEREAS, Applicant requested the economic development grant from the impact fund for the purpose of: capitalization of a technology business incubator which, if so developed, will stimulate increased economic development in the City; and

WHEREAS, the City and Applicant now desire to amend the Agreement to allow the Applicant to make transfers among existing budget categories equal to or less than thirty percent (30%) of the total amount of the grant funding allocated for the budget year; and to allow the Applicant to make budget transfers among existing budget years equal to or less than thirty percent (30%) of the total amount of the grant funding allocated for the budget year from which the transfer is being made.

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:

1. OBLIGATIONS OF APPLICANT. Section 4, Subsection A (Project Requirements) is hereby amended to add the following Paragraph 6, to read as follows:
6. Applicant agrees to sponsor and host one workshop (“Quarterly Public Workshop”), open to the public and free of charge, at its 500 W. Overland Avenue location, per quarter; for a total of four (4) workshops a year. Topics covered in the workshops include, but are not limited to, the following:
- (a) Law School for Startups
 - (b) Factor Financing
 - (c) Intellectual Property – Protection and Licensing
 - (d) Accessing Working Capital
 - (e) Crowdfunding
 - (f) Manufacturing on the Border
 - (g) Ins and Outs of Exporting/Importing

- (h) Opportunities & Ideas from National Labs [w/ Sandia and Los Alamos]
2. OBLIGATIONS OF APPLICANT. Section 4, Subsection B (Compensation, Reporting and Compliance), Paragraph 1 is hereby amended to read as follows:

1. Applicant will perform services for the Project within the monetary limits contained in Exhibit "B" (the "Project Budget"), attached hereto incorporated by reference herein for all purposes. In no event shall compensation to the Applicant exceed the lesser of the Applicant's costs attributable to the work performed in the budget year, or the monetary limits described in Section 5 of this Agreement nor shall the City pay for expenses or services which are or will be reimbursed by another funding source or for services which are not performed. However Applicant may make transfers of funds between or among budget categories for the given budget year and between budget years as contained in Exhibit "B", subject to the approval of the City Manager or designee, provided that:

(a) The dollar amount of all transfers among existing categories is equal to or less than thirty percent (30%) of the total amount of the Grant funding allocated for the budget year;

(b) The dollar amount of budget transfers among existing budget years is equal to or less than thirty percent (30%) of the total amount of the Grant funding allocated for the budget year from which the transfer is being made;

(c) The transfer will not change the scope or objective of the Project funded under this Agreement; and

(d) Applicant submits 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 or designee. The revised Project Budget will substitute the original Project Budget (or any prior revised Project Budget) upon the City Manager or designee's approval and acceptance thereof, without the need for a written amendment to this Agreement.

3. OBLIGATIONS OF APPLICANT. Section 4, Subsection B (Compensation, Reporting and Compliance), Paragraph 5 is hereby amended to add the following Subparagraph e, to read as follows:

(e) Quarterly Public Workshops.

Minimum number of Quarterly Public Workshops by year

Applicant will also submit a summary report of each Quarterly Public Workshop at the end of every quarter starting from the date this agreement is signed that will include as attachments (1) proof of participants' attendance via sign-in sheet or initialed roster and (2) copies of material presented in the workshop.

4. EXHIBIT B – PROJECT BUDGET. Replace existing Exhibit “B” with attached Exhibit “B.”


5. Except as amended herein, the Agreement between the City and Applicant shall remain in full force and effect.

IN WITNESS WHEREOF, the City and Applicant hereunto set their hands this ____ day of _____, 2013.

CITY OF EL PASO:

Joyce A. Wilson
City Manager

APPROVED AS TO FORM:



Matthew K. Behrens
Assistant City Attorney

APPROVED AS TO CONTENT:

Mathew McElroy, Director
City Development Department

Exhibit B -- PROJECT BUDGET

The Hub of Human Innovation City of El Paso Budget						
	ACTUAL 2011 - Aug 2012	ACTUAL CEP Impact Fund	CEP Impact Fund	CEP Impact Fund	CEP Impact Fund	TOTAL
Clean Energy Incubator Expenses		380,000	325,000	300,000	250,000	1,255,000
B01 Director Salary	139,507	-	-	-	-	-
B02 Fringes	39,421	-	-	-	-	-
B03 Travel	9,650	-	-	-	-	-
B04 Phone	1,300	-	-	-	-	-
B05 Software	7,502	7,502	-	-	-	7,502
B06 Proof of Concept	93,825	-	-	-	-	-
B07 Market Reports	48,000	-	-	-	-	-
B08 Interns	10,843	10,843	-	-	-	10,843
B09 Topic Experts	16,063	-	-	-	-	-
B10 Supplies Misc.	11,283	9,940	-	-	-	9,940
CEI Total Expenses	377,392	28,284	-			28,284
The Hub of Human Innovation Expenses						
B11 Business Support Salaries	160,845	152,029	123,000	150,500	139,000	564,529
B12 Interns	11,522	11,522	13,000	3,000	3,000	30,522
B13 Fringes	40,368	40,368	32,500	44,000	30,580	147,448
B14 Marketing/education program	47,626	47,600	38,500	3,000	2,000	91,100
B15 Supplies and equipment	20,413	20,413	21,000	1,000	1,000	43,413
B16 Contract Services	28,638	28,628	80,000	85,000	61,420	255,048
B17 Travel	13,049	12,358	7,000	5,000	5,000	29,358
B18 Workshops, training, rent,	56,496	9,748	26,000	7,500	7,500	50,748
B19 Build-out of offices	8,050	8,050	5,000	1,000	500	14,550
THE HUB TOTAL EXPENSES	387,006	330,716	346,000	300,000	250,000	1,226,716
GRAND TOTAL EXPENSES	<u>764,399</u>	<u>359,000</u>	<u>346,000</u>	<u>300,000</u>	<u>250,000</u>	<u>1,255,000</u>

Doc / Matter: 162479 / 13-1007-611

Description: First Amendment to HUB 380 Agreement

Author: MKB