

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

**DEPARTMENT:** Economic & International Development Department  
**AGENDA DATE:** CCA Regular March 24, 2015  
**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?**  
Original 380 was presented to Council on February 3, 2015.

**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**

\_\_\_\_\_  
Oscar Leeser  
Mayor

**ATTEST:**

\_\_\_\_\_  
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. **Base Year Value.** The words “Base Year Value” mean valuation by the El Paso Central Appraisal District as of 2014 for the Properties. However, under no circumstances shall the Base Year Value be interpreted to be equivalent or determinative for appraisal purposes or to be utilized in any way to determine market value
- D. **City.** The word “City” means the City of El Paso, Texas.
- E. **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.
- F. **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.
- G. **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.
- H. **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.
- I. **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. 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 in calendar year 2015. **Applicant** shall receive a Certificate of Occupancy, and be open for business to the general public within twelve months from the commencement of construction. **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, in accordance with Exhibit B, Section 3 Qualified Expenditure Schedule. 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 30<sup>th</sup> 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). This property value should in no way be interpreted to affect the values set by the Central Appraisal District for tax purposes.

#### **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.
- 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. 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 and job creation and maintenance 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.
- 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.
- 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]



**EXHIBIT A**

**Legal Description**

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

**Development Description**

Construction of the business operations for the purpose of providing steel processing services located at, 16 Zane Grey, El Paso, Texas.

## 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 and Operations Managers	1	1	1	1	1	1	1	1	1	1
51-1011	Production Manager First Line production Supervisor/Scheduler	1	1	1	1	1	1	1	1	1	1
43-3031	Bookkeeping, Accounting, and Auditing Clerks	1	1	1	2	3	3	3	3	3	3
43-9061	Office Clerks, General	1	2	2	2	2	2	2	2	2	2
49-9071	Maintenance and Repair Workers, General	1	2	3	3	3	3	3	3	3	3
51-4031	Multi-Cut, Machine Operator	4	8	8	9	9	9	9	9	9	9
51-4031	Slitter, Mach Operator I	2	4	6	11	11	11	11	11	11	11
51-4031	Slitter, Mach Operator II	2	4	5	5	5	5	5	5	5	5
51-9061	QA Inspector	1	1	1	1	1	1	1	1	1	1
53-7051	Industrial Truck and Tractor Operators	2	3	4	5	6	6	6	6	6	6
53-7062	Laborers and Freight, Stock, and Material Movers, Hand- I	1	1	2	3	3	3	3	3	3	3
53-7062	Laborers and Freight, Stock, and Material Movers, Hand- II	2	4	5	6	7	7	7	7	7	7
41-4012	Sales	1	2	3	3	3	3	3	3	3	3
	<b>TOTAL</b>	<b>20</b>	<b>34</b>	<b>42</b>	<b>52</b>	<b>55</b>	<b>55</b>	<b>55</b>	<b>55</b>	<b>55</b>	<b>55</b>

**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 Payments shall be made equivalent to at least **fifty percent (50%)** of the incremental taxes collected on the Development's personal and real property tax account(s) for the tax year covered by the Grant Submittal Package, upon **Applicant's** certification that it has created and maintained at least **ninety percent (90%)** of the jobs for that year, and paid the following wages:

	No. Employees	Estimated Hourly Wages	Annual Salaries per job	Total Annual Salaries
General and Operations Managers	1	\$ 46.00	\$95,680.00	\$95,680.00
Production Manager First Line Production Supervisor/Scheduler	1	\$22.00	\$45,760.00	\$45,760
Book Keeping, Accounting and Auditing Clerks	3	\$ 15.00	\$31,200.00	\$93,600.00
Office Clerks, (Gen)	2	\$ 10.60	\$22,048.00	\$44,096.00
Maintenance and Repair Workers, General	3	\$ 15.00	\$31,200.00	\$93,600.00
Multi-Cut Machine Operator	9	\$ 13.00	\$27,040.00	\$243,360.00
Slitter, Mach Operator I	11	\$ 12.50	\$26,000.00	\$286,000.00
Slitter, Mach Operator II	5	\$ 13.00	\$27,040.00	\$135,200.00
QA Inspector	1	\$ 17.00	\$35,360.00	\$35,360.00
Industrial Truck and Tractor Operators	6	\$ 12.50	\$26,000.00	\$156,000.00
Laborers and Freight, Stock, Material Movers, Hand-1	3	\$ 11.30	\$23,504.00	\$70,512.00
Laborers and Freight, Stock and Material Movers, Hand-II	7	\$12.40	\$25,792.00	\$180,544.00
Sales	3	\$ 25.00	\$52,000.00	\$156,000.00

**SECTION 3. QUALIFIED EXPENDITURE SCHEDULE**

Applicant agrees to make or cause to be made Qualified Expenditures in accordance with the schedule below. A failure to make a Qualified Expenditure in accordance with the schedule below will not result in a termination of this Agreement, but will result in a forfeiture of Grant Payments covered by the year(s) in which the investment should have been made. Such forfeiture shall continue for each subsequent year until the Applicant makes the necessary investment to bring the total Qualified Expenditures in line with the schedule below.

<b><u>Due Date</u></b>	<b><u>Qualified Expenditures Due</u></b>
Year 1:	\$1,000,000
Year 2:	\$ 500,000
Year 3:	\$ 500,000
Year 4:	\$ 500,000
Year 5:	\$ 500,000
<b>Total Qualified Expenditures Due</b>	<b>\$3,000,000</b>

