

A nighttime aerial photograph of the El Paso city skyline. The image shows a dense cluster of illuminated buildings, including a prominent Wells Fargo tower and a large hotel with a 'Co. Ho. Home' sign. Light trails from traffic are visible on the roads in the foreground. The city lights extend into the distance under a dark sky.

I T E M 3 . 2

AUXILIARY FEE POLICY

A Policy Providing Guidelines for the Use and Management of the Supplemental One Percent Increase in the El Paso Electric Franchise Fee Approved March 2018

GOAL 1: CREATE AN ENVIRONMENT CONDUCIVE TO STRONG, SUSTAINABLE ECONOMIC DEVELOPMENT
1.1 STABILIZE AND EXPAND EL PASO'S TAX BASE

ADDITIONAL FEE

BACKGROUND

- In 2010, EPE street rental charge was increased by 0.75%.
- This increase is called the Additional Fee and is reserved for economic development purposes.
- In 2011, the Impact Fund policy was approved to provide guidelines for the use and management of the Additional Fee.
- Policy was most recently amended in 2013.





EXISTING

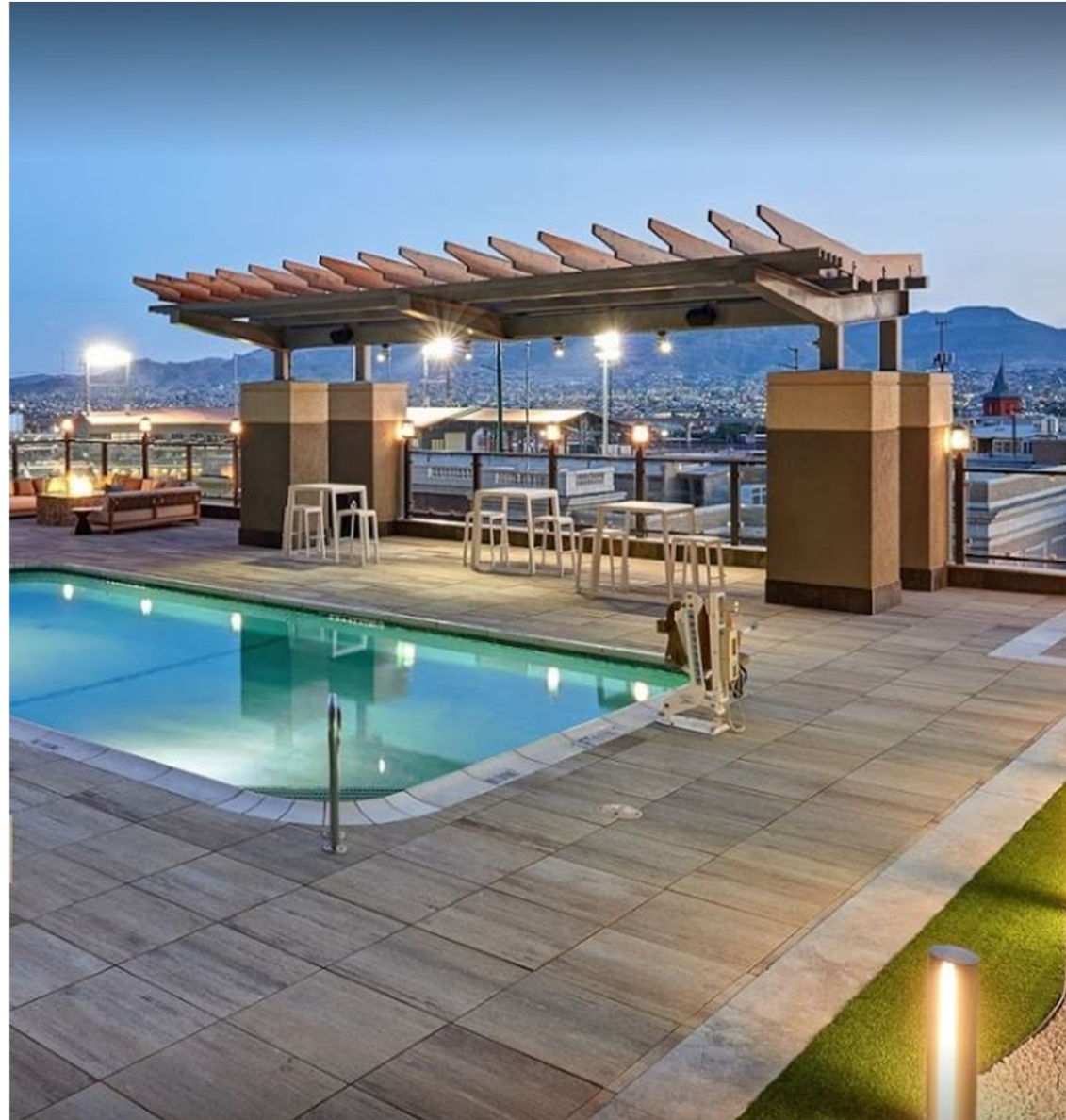
IMPACT FUND POLICY

1. Dedicate 75% of the Additional Fee to assist the MCA Foundation to create life science campus(es).
2. Remaining 25% to:
 - a) Support entrepreneurship and innovation to create/assist technology based and/or high growth, scalable businesses; or
 - b) Serve as a “deal closing fund” to assist companies making significant investments in capital and human resources; or
 - c) Promote commercial investment in the renovation, restoration and rehabilitation and new development and new construction in Downtown El Paso; or
 - d) Create a workforce in El Paso that will meet the needs of target industries.

PROPOSED

AUXILIARY FEE POLICY (AFP)

- **Policy Purpose:** To establish guidelines for the use and management of the Auxiliary Fee and Auxiliary Fee Grants.
- **Auxiliary Fee:** The supplemental 1% increase in the street rental charge assessed against the El Paso Electric Company as established by Ordinance No. 018772.
- **Fee Purpose:** To promote economic development.



PROPOSED

AUXILIARY FEE POLICY (AFP)

- The Auxiliary Fee shall be used in the same manner as the Additional Fee, therefore Existing Impact Fund applies.
- In addition, Auxiliary Fee may be used to incentivize Destination Tourism projects:
 - a) Will the project increase tourism-related dollars within the City?
 - b) Will the project increase overnight stays?
 - c) Does the project include construction of new recreational or tourist attractions or enhance existing attractions?
 - d) Will the project be advertised regionally, nationally or internationally to promote travel to the City?
 - e) Is the project associated with a well-established organization that has national or international brand recognition?
 - f) Will the project significantly increase job opportunities of residents?
 - g) Does the project align with, and add to, the City's positive image?



THANK YOU

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