

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

**DEPARTMENT:** Economic Development

**AGENDA DATE:** 01/12/2010

**CONTACT PERSON NAME AND PHONE NUMBER:** Kathryn B. Dodson, (915) 541-4872

**DISTRICT(S) AFFECTED:** All districts

**SUBJECT:**

Discussion and action that the City Manager be authorized to sign an Amendment to the Agreement ("Agreement") by and between the City of El Paso ("City") and the El Paso Regional Economic Development Corporation ("REDCo") to accept and approve a new Exhibit A, 2010 Scope of Services, and new Exhibit B, 2010 Performance Metrics and to have REDCo continue to provide specific, measurable economic development services to the City. The original term of the Agreement expired on December 31, 2007 and automatically renews for three successive one-year terms, subject to REDCo's satisfaction of the Performance metrics and subject to the City's appropriation of funds for payment. For this third successive one-year term, the City shall pay to REDCo an amount not to exceed \$200,000.00 during 2010 in exchange for the specific, measurable economic development services identified in the new Exhibits A and B.

**BACKGROUND / DISCUSSION:**

Discussion and action that the City Manager be authorized to sign an Amendment to the Agreement ("Agreement") by and between the City of El Paso ("City") and the El Paso Regional Economic Development Corporation ("REDCo") to accept and approve a new Exhibit A, 2010 Scope of Services, and new Exhibit B, 2010 Performance Metrics and to have REDCo continue to provide specific, measurable economic development services to the City. The original term of the Agreement expired on December 31, 2007, and automatically renews for three successive one-year terms, subject to REDCo's satisfaction of the Performance metrics and subject to the City's appropriation of funds for payment. For this third successive one-year term, the City shall pay to REDCo an amount not to exceed \$200,000 during 2010 in exchange for the specific, measurable economic development services identified in the new Exhibits A and B. This item was included as part of the economic development 2010 budget approved by City Council. **(All Districts)** [Economic Development, Kathryn B. Dodson, (915) 541-4872]

**PRIOR COUNCIL ACTION:**

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

Yes; on March 3<sup>rd</sup>, 2009 the City Council discussed and voted to approve the extension of the grant agreement with REDCo in the amount of \$200,000.

**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?**

\$200,000 ECONOMIC DEVELOPMENT 72010268-01101-72000-505200

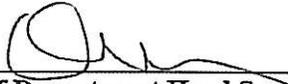
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**BOARD / COMMISSION ACTION:**  
N/A

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\*\*\*\*\*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 an Amendment to the Agreement ("Agreement") by and between the City of El Paso ("City") and the El Paso Regional Economic Development Corporation ("REDCo") to accept and approve a new Exhibit A, 2010 Scope of Services, and new Exhibit B, 2010 Performance Metrics and to have REDCo continue to provide specific, measurable economic development services to the City. The original term of the Agreement expired on December 31, 2007 and automatically renews for three successive one-year terms, subject to REDCo's satisfaction of the Performance metrics and subject to the City's appropriation of funds for payment. For this third successive one-year term, the City shall pay to REDCo an amount not to exceed \$200,000.00 during 2010 in exchange for the specific, measurable economic development services identified in the new Exhibits A and B.

APPROVED this the \_\_\_\_\_ day of \_\_\_\_\_, 2010.

THE CITY OF EL PASO

\_\_\_\_\_  
John F. Cook  
Mayor

ATTEST:

\_\_\_\_\_  
Richarda Duffy Momsen  
City Clerk

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Marie A. Taylor  
Assistant City Attorney

APPROVED AS TO CONTENT:

  
\_\_\_\_\_  
Kathryn B. Dodson, Ph.D., Director  
Economic Development Department



1. The 2010 Scope of Services, attached hereto as Exhibit A and incorporated by reference herein, shall replace the 2009 contract scope.

2. The 2010 Performance Metrics, attached hereto as Exhibit B and incorporated by reference herein, shall replace the 2009 performance metrics.

3. The City shall pay to REDCo an amount not to exceed Two Hundred Thousand and No/100th Dollars (\$200,000.00) during the calendar year 2010.

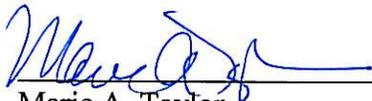
4. Except as herein amended, the Agreement between the City and REDCo executed on August 8, 2006, shall remain in full force and affect.

**IN WITNESS HEREOF**, the City and REDCo have executed this amendment as of the date first herein above set forth.

**THE CITY OF EL PASO:**

\_\_\_\_\_  
Joyce A. Wilson  
City Manager

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Marie A. Taylor  
Assistant City Attorney

APPROVED AS TO CONTENT:

\_\_\_\_\_  
Kathryn B. Dodson, Ph.D., Director  
Economic Development Department

**EL PASO REGIONAL ECONOMIC  
DEVELOPMENT CORPORATION:**

  
\_\_\_\_\_  
By: Bob Cook, President

## Exhibit A: 2010 Scope of Services

The following comprises the Economic Development Services to be performed by REDCo in 2010 in order to achieve the performance measures outlined in Exhibit B of this agreement. The total budgeted cost of these services is \$495,992 which shall be shared by REDCo and the City. The City shall not pay more for more than 49% of the cost for any one of the initiatives enumerated herein. The programs/services listed in this attachment are the only eligible expenditures for which the City shall reimburse REDCo.

### Marketing/Advertising Campaign

**Total REDCo Cost = \$125,400 / Maximum Billable to City = \$61,450**

REDCo will continue to build on the basic marketing and promotional program that has played a key role in driving increased client activity for the region. REDCo will work with the City's Department of Economic Development, El Paso International Airport, El Paso

Marketing/Advertising Item	Budgeted Amount
Website hosting and related-costs for REDCo's on-line real estate search engine. Includes on-line and print advertising expenses to designed to drive activity to the website.	\$39,000
Website-Hosting for REDCo's promotional website "elpasoredco.org"	\$3,000
Agency Retainer- Includes creative services, copywriting and printing for advertising/marketing campaign.	\$72,000
Marketing materials (brochures, direct mail, prospectus)	\$11,400

Convention and Visitors Bureau in a coordinated fashion in order to leverage community and regional branding messages into the 2010 initiatives outlined in the following chart.

### Travel Expense

**Total REDCo Cost = \$15,200 / Maximum Billable to City = \$7,500**

The above listed amount will cover the cost of travel related expenses for REDCo staff to make calls on clients, and site location consultants.

### Media/Public Relations Campaign

**Total REDCo Cost = \$123,700 / Maximum Billable to City = \$60,600**

REDCo will continue its proactive media relations campaign which was initiated in 2007. REDCo will incorporate consistent branding messages into these strategies. Elements of this portion of our budget will include the following:

- Monthly retainer with REDCo's New York-based media relations consultant, Development Counselors International
- Familiarization Tours-- REDCo will host a total of at least six (6) inbound and outbound familiarization tours during the year, at least three (3) of which will target site location consultants from across the nation and the remaining of which will target members of the national and international media. The

purpose of these tours will be to familiarize the target audience with the benefits of doing business in the El Paso region.

### **Trade Shows/Conferences**

#### **Total REDCo Cost = \$53,840 / Maximum Billable to City = \$26,400**

REDCo has budgeted the following conferences and trade shows for 2009 for the purpose of promoting the advantages of doing business in the El Paso area. REDCo will incorporate consistent branding messages into these outreach initiatives.

- Jan Automotive News World Congress (Detroit)
- Feb Medical Design & Manufacturing – West (Anaheim)
- Feb Mexico Now (Seattle)
- Mar Area Development Foreign Direct Investment Conference (Atlanta)
- Mar Embry Riddle Aerospace Conference (Houston)
- Apr Society of Automotive Engineers (Detroit)
- May Mexico Now (Canada)
- May C2ER Annual Conference (Washington DC)
- May BIO International Conference (Chicago)
- May WindPower 2010 (Dallas)
- Jun Medical Design & Manufacturing – East (New York)
- Aug Texas Marketing Team (Mexico City)
- Sep IEDC (Columbus, OH)
- Sep CNIME (Mexico)
- Oct SolarPower (TBD)
- Oct Medica (Germany)

### **Strategic Consultants**

#### **Total REDCo Cost = \$171,752 / Maximum Billable to City = \$84,160**

In 2007, REDCo engaged McCallum-Sweeney to conduct a feasibility analysis of attracting automotive-related investment to El Paso. The project was originally scheduled for completion in 2008, but the final step relating to transfer of property from PSB to the City was not completed until late 2009. We are completing the work of having the site certified by McCallum Sweeney, and payment will be required by McCallum-Sweeney in early 2010. Cost \$15,000.

REDCo will once again retain Cypress International (Alexandria, Virginia) to serve its strategic consultant for defense/homeland security technologies. Cypress recommends strategies related to targeting specific defense/homeland security industry segments, as well as introducing REDCO to private sector companies in this market segment. The City and REDCo agree that any written reports, studies or recommendations produced by this consultant shall be considered proprietary and shall be viewed by City personnel at REDCo premises. REDCo agrees to make available to the City elements of any reports that are not competition-sensitive, and to work with City personnel to make these determinations on a case-by-case basis. Cost: \$156,752.

### **Professional Development of Staff**

#### **Total REDCo Cost = \$6,100 / Maximum Billable to City = \$3,000**

In order to maintain the highest possible expertise and effectiveness of our professional staff, REDCo has budgeted a variety of professional development initiatives for its staff.

Each member of our professional staff will be enrolled in courses ranging from basic and advanced courses in economic development to industry-specific seminars related to REDCo's target industries.

## **Exhibit B**

### **2010 Performance Metrics**

For the 2010 term of this agreement, the Performance Metrics for REDCo are:

#### **Job Targets**

- At least 1,200 announced new jobs for El Paso from private sector companies that are relocating or expanding to El Paso.

#### **Wage Targets**

- With respect to the new jobs that are attracted to El Paso, there must be an indication that REDCo is actively working to increase overall wage rates in the community.
  - At least 780 of the new jobs must be at or above the Median County Wage rate reported for El Paso County in the most current ES202 data.
  - At least thirty 360 new jobs must be at least 110% of the Median County Wage rate reported for El Paso County in the most current ES202 data.

#### **Capital Investment Targets**

- At least \$40 million in new private sector investment in real and/or personal property.

#### **Media Relations Targets**

REDCo will hire a national media relations consultant in 2010, and will minimally generate the following:

- Host at least three fam tours of national and international press.
- At least six (6) articles on the community in national and international publications. The combined value of advertising equivalency and editorial impact will be at least \$500,000.

#### **Downtown Promotion**

REDCo will continue support the City's efforts to redevelop downtown El Paso by specifically undertaking the following initiatives.

- REDCo will evaluate each of its existing clients and new clients, relative to each client company's viability to select downtown El Paso as a location of operations. If it is deemed that the client has strong potential for a downtown location, REDCo will make each company aware of the potential to receive an enhanced package of incentives should they choose to locate in the central business district

of El Paso. On no less than a quarterly basis, REDCo will submit written reports to the City's Economic Development Department as to the status and disposition of each of these clients. Included in this report will be the company's reasons for choosing or not choosing to locate downtown.

- REDCo will update its direct mail marketing piece that provides information regarding downtown as a business location. The piece contains information as to how companies may find available buildings in the downtown area, as well as information pertaining to the specific incentives a company may receive if they choose to evaluate downtown as a location.
- REDCo will host no less than quarterly familiarization tours with site consultants and members of the national/international press. As appropriate, REDCo will include a downtown focus as part of the itinerary for each of these visits.
- REDCo will provide guidance to City staff, as needed, regarding incentives, infrastructure and other issues that will help make downtown El Paso a more attractive location for companies considering expansion or relocation to the region.

#### **Additional Benchmarks**

REDCo will benchmark wages paid by newly recruited employers against industry and occupational averages, and will do so on an annual basis in order to determine whether or not REDCo's economic development strategy, over time, is in fact:

- Increasing overall wages in the community;
- Increasing wages within the occupational categories;
- Increasing wages within industry segments.

This mechanism will be employed to verify whether or not REDCo has employed effective strategies. This benchmark process does not imply that El Paso's public policy does not value high tech jobs unless they pay above comparable regional/local high tech industry and occupational averages. The city's policy will, however, offer greater financial inducements to recruited companies that commit to pay higher wages than either the regional/local industry or occupational wage.