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

DEPARTMENT: Office of Economic Development
AGENDA DATE: February 13, 2006
CONTACT PERSON/PHONE: Kathy Dodson, Director 541-4872
DISTRICT(S) AFFECTED: ALL

SUBJECT:
Regular Agenda: Discussion and action regarding the granting of economic development incentives to AT&T by the City of El Paso

BACKGROUND/DISCUSSION:
Technical Support Center for DSL product to serve U. S. market. Location to be in existing facility with excess capacity.

PRIOR COUNCIL ACTION:
Has the Council previously considered this item or a closely related one?
No.

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?

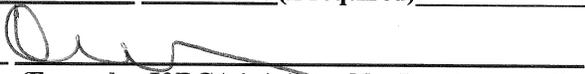
General Fund - 380 agreement

BOARD/COMMISSION ACTION:
Enter appropriate comments or N/A.

LRC met on Jan. 24 07. Recommended this project go to Council in a public meeting.

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

LEGAL: (if required) _____ **FINANCE:** (if required) _____

DEPARTMENT HEAD:  _____
(Example: If RCA is initiated by Purchasing, client department should sign also). Information copy to appropriate Deputy City Manager

APPROVED FOR AGENDA:

CITY MANAGER: _____ **DATE:** _____

AT&T

- Technical Support Call Center
- Retrofitting existing facility located in Butterfield
- Will spend approx. \$650,000 in improvements
- Will add approx. \$1,600,000 in new equipment
- 424 New Jobs by end of 1st Year
- Will have payroll of approx \$10,426,832

AT&T

- Calculated \$63,352 in New Property Taxes (5 yrs)
- Calculated indirect & Induced tax impacts of \$156,561 over 5 years
- Calculated Total Tax impacts of: \$219,913 (5 yrs)

AT&T

Per the City of El Paso's current incentive policy, this company qualifies for the following if salaries rise to 10.79 per hour when taxes are calculated at the end of the taxation year:

- 50% of the benefit derived for five years
- 1st year estimate: \$23,391
- 5 year total estimate: \$109,955
- To be paid from property tax stream
- Actual benefit calculated yearly
- 50% benefit only paid if wages rise to above MCW
