

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

DEPARTMENT: Office of Economic Development
AGENDA DATE: April 8 2008 **REGULAR AGENDA**
CONTACT PERSON/PHONE: Kathy Dodson, PhD, Director 541-4670
DISTRICT(S) AFFECTED: ALL

SUBJECT:

Discussion and Action by the City Council to authorize the Mayor to sign an Interlocal Agreement for Economic Development Contract Administration Services and authorizes the city and the county to enter into an economic development agreement for the City to provide services to the County relative to the analysis, use, delivery and reporting of incentives.

BACKGROUND/DISCUSSION:

The County and the City recognize that a consolidated effort in the attraction of business and industry to locate or expand in the city and county are in each party's best interest, in the best interest of the citizens of the City and County of El Paso and that this agreement will increase the effective functioning of each party as it relates to the analysis, use, delivery and reporting of incentives.

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?

The County shall reimburse the City for ½ of the actual cost of the salary of the City's Economic Development Department incentives coordinator (Business Services Coordinator) -Economic Development Budget

Economic Development - #72010268 Account #501011

BOARD/COMMISSION ACTION:

Enter appropriate comments or N/A.

*****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:** _____

RESOLUTION

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

That the Mayor be authorized to sign an Interlocal Agreement for Economic Development Contract Administration Services by and between the County of El Paso and the City of El Paso for more effective and efficient attraction of business and industry to locate or expand in the City and County of El Paso.

ADOPTED THIS ____ DAY OF _____ 2008.

CITY OF EL PASO

John F. Cook
Mayor

ATTEST:

Richarda Duffy Momsen
City Clerk

APPROVED AS TO FORM:



Sylvia Borunda Firth
Senior Assistant City Attorney

STATE OF TEXAS §
COUNTY OF EL PASO §

**INTERLOCAL AGREEMENT FOR
ECONOMIC DEVELOPMENT CONTRACT
ADMINISTRATION SERVICES**

This Agreement is made and entered into this 3rd day of March, 2008, by and between the County of El Paso ("County"), with the agreement, consent, and participation of the El Paso County Attorney ("County Attorney"), and the City of El Paso, Texas, a home-rule municipal corporation ("City"), under the authority and in accordance with the Interlocal Cooperation Act, as set out in Chapter 791, Texas Government Code.

WITNESSETH:

WHEREAS, Texas Government Code, Chapter 791, authorizes local governments of the state to enter into contracts for governmental functions and services to increase their efficiency and effectiveness; and

WHEREAS, the County and the City are local governments as defined in Texas Government Code, Section 791.003(4), have the authority to enter into this agreement and have each entered into this agreement by the action of its governing body in the appropriate manner prescribed by law; and

WHEREAS, Texas Local Government Code, Chapters 380 and 381, authorize the County and the City to enter into economic development agreements to attract business and industry to locate or expand in the City and County; and

WHEREAS, the County and the City recognize that a consolidated effort in the attraction of business and industry to locate or expand in the city and county are in each party's best interest, in the best interest of the citizens of the City and County of El Paso, and that this agreement will increase the effective and efficient functioning of each party; and

WHEREAS, the County and the City specify that each party paying for the performance of said functions of government shall make those payments from current revenues available to the paying party;

NOW THEREFORE, in consideration of the terms and conditions herein which fairly compensate the performing party, it is mutually agreed as follows:

1. PURPOSE OF AGREEMENT.

The purpose of this Agreement is to state the terms and conditions under which the parties will cooperate and participate in the more effective and efficient attraction of business and industry to locate or expand in the City and County of El Paso.

2. DUTIES OF THE CITY.

The City, by and through its Economic Development Department ("the Department"), shall perform the following services for the County:

- 2.1. The Department shall perform an initial analysis of each business or industry that is interested in receiving economic development incentives to locate/expand in the City and/or the County and shall present said analysis and recommendations to Commissioners Court not less than two weeks after the Department makes its presentation and recommendation to the City Council.
- 2.2. The Department shall perform an initial evaluation of each business or industry that contacts the Department and is interested in receiving economic development incentives to locate or expand operations in the City and/or the County. Upon a determination by the Department that the applicant qualifies for incentives in accordance with the County's approved Economic Development Incentive Policy (a copy of which is attached as Exhibit "A" to this Agreement and incorporated herein by reference), the Department shall notify County staff who will be responsible for placing the item on the agenda for Commissioner's Court in a timely manner.
- 2.3. The Department shall provide copies of all contracts that it has negotiated on behalf of the City to the County Attorney for use by the County.
- 2.4. If the Department intends to recommend approval of a tax abatement agreement to the City Council, the Department will also recommend approval of said agreement to the Commissioners Court on the Monday prior to its presentation to the City Council in order to allow the County an opportunity to decide whether to be bound by the City's agreement.
- 2.5. For the duration of the agreements, the Department shall monitor contract performance and administer economic development and tax abatement agreements entered into by the County pursuant to Texas Local Government Code Chapter 381 and Texas Tax Code Chapter 312 and were presented to the Commissioners Court for approval by the Department pursuant to this Agreement.
- 2.6. The Department shall report to the County regarding its economic development and tax abatement agreements to the same extent and with the same frequency that it reports to the El Paso City Council and shall notify the County of any failures of performance in any of the agreements. Said reports shall be delivered to the County Auditor. In the event that a report contains information that a business or industry that has entered into an economic development or tax abatement agreement is in default of its

agreement with the City and the County or that the City intends to terminate its own agreement, said report shall also be sent to the County Attorney.

- 2.7 Provided the City is not a party to the litigation and there is no conflict of interest with regard to the City's interests, the Department shall assist the County in any legal action taken by or against the County regarding any economic development or tax abatement agreement by providing information, reports, and data concerning any agreement and by testifying on behalf of the County, if required. The existence of a conflict of interest shall be determined in the sole discretion of the City Attorney. In no event shall this paragraph be deemed to be an indemnification provision. The County shall be solely responsible for any and all expenses resulting from legal actions including but not limited to court costs, attorney's fees, expert witness fees, awards, judgments, etc.
- 2.8 Additionally, the Department may provide the services listed in Subsections 2.1 through 2.7 for economic development opportunities and programs that may be available from the County that are not available from the City.

3. DUTIES OF THE COUNTY.

- 3.1 The County will provide a staff person to serve as a liaison between the Department and the Commissioners Court who shall be responsible for:
- 3.1.a Placing items on the Commissioners Court agenda; and
 - 3.1.b Distribution of reports provided by the Department to the members of Commissioners Court.
- 3.2 The County shall provide the Department with fully executed copies of all economic development and tax abatement agreements approved by the County during the term of this contract.
- 3.3 The County will notify the City in writing anytime an amendment is made to the County's Economic Development Incentives Policy.

4. CONSIDERATION AND PAYMENT.

The County shall reimburse the City for one half (1/2) of the actual cost of the salary of the City's Economic Development Department Incentives Coordinator (and as it may be modified each fiscal year by salary increases and cost of living increases within the discretion of the City), during the term of this Agreement. Upon initial execution of this Agreement, the City shall provide written notice to the County as to what that salary amount is for the current fiscal year. The County shall remit 1/4 of the total amount owed by the County to the City without demand on March 15, June 15, September 15, and

TO THE COUNTY ATTORNEY: El Paso County Attorney
500 E. San Antonio
El Paso, Texas 79901

TO THE CITY: The City of El Paso
C/O Office of the Mayor
2 Civic Center Plaza
El Paso, Texas 79901

WITH A COPY TO
TO THE CITY MANAGER: City Manager
2 Civic Center Plaza
El Paso, Texas 79901

7. MISCELLANEOUS.

- 7.1 Beyond the consideration provided for herein, each party shall bear its own cost of participation in this Agreement.
- 7.2 For the purpose of determining the place of contract and the law governing same, this Agreement is entered into in the City and County of El Paso, State of Texas, and shall be governed by the laws of the State of Texas. Venue shall be in El Paso County, Texas.
- 7.3 All persons that are signatories to this Agreement represent that they have authority to enter into this Agreement and bind their respective organizations thereto.
- 7.4 This writing constitutes and expresses the entire agreement between the parties and shall not be amended or modified except by written instrument signed by both/all parties.

IN WITNESS WHEREOF this Agreement has been executed on behalf of the County of El Paso and the City of El Paso in the manner provided by law.

ATTEST

THE COUNTY OF EL PASO

Valerie A. Sanchez, chief deputy

County Clerk

By *Anthony Cobos*

County Judge Anthony Cobos
Date: *March 03, 2008*

APPROVED AS TO FORM:

[Signature]

Name: _____
Assistant County Attorney

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

ATTEST

THE CITY OF EL PASO

Richarda Duffy Momsen
City Clerk

By _____
John F. Cook, Mayor
Date: _____

APPROVED AS TO FORM:



Sylvia Borunda Firth
Senior Assistant City Attorney