

RESOLUTION NO. 2025 – RXX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NEW BRAUNFELS, TEXAS, APPROVING A RECOMMENDATION OF THE NEW BRAUNFELS ECONOMIC DEVELOPMENT CORPORATION AUTHORIZING A THIRD AMEDEMMENT TO THE CONTRACT BETWEEN THE NEW BRAUNFELS ECONOMIC DEVELOPMENT CORPORATION AND HD SUPPLY FACILITIES MAINTENANCE, LTD; AND DECLARING AN EFFECTIVE DATE.

WHEREAS, on January 31, 2005, The Home Depot Supply, Inc. entered into a Performance Agreement (“Contract”) with the NBEDC (formerly the NBIDC) that promised creation of 120 jobs in the first year of operation of its facility in New Braunfels at 1511 E. Common St., and 343 jobs by the end of the tenth year of operation (Exhibit A); and

WHEREAS, on December 5, 2006, the Contract was amended to increase the number of jobs from 343 to 390, it included the Extended Rebate Period provision, and changed the name of the Company from The Home Depot Supply, Inc. to HD Supply Facilities Maintenance, LTD. (Exhibit B); and

WHEREAS, the Contract, as amended was automatically renewed by its terms from December 5, 2016, for an additional ten years with the NBEDC continuing to rebate to the Company its share of sales tax until December 5, 2026; and

WHEREAS, by the First Amendment executed in 2020 (Exhibit C), the New Braunfels Economic Development Corporation assumed a portion of the City’s obligation to Company under the original contract so that the City of New Braunfels could launch and fund a COVID-19 Small Business Resource Grant Program, as a source of capital for New Braunfels small businesses that experienced significant business interruptions due to the COVID-19 pandemic; and

WHEREAS, the Second Amendment to the Contract executed in 2021 (Exhibit D), resulted from business process changes that no longer allowed for intrastate sales to be sourced to the New Braunfels customer contact center, abated certain obligations of the parties until the agreement was to terminate either by its terms on December 5, 2026, or the upon mutual agreement of the parties; and

WHEREAS, the parties have each fully performed all of their respective obligations pursuant to the Contract, as amended, through the date of this Second Amendment; and

WHEREAS, the Company has now implemented additional changes that will allow a majority of the Company’s interstate sales to be sourced to the New Braunfels customer control center once again; and

WHEREAS, the Company has requested to cease the abatement of certain conditions made in accordance with the Second Amendment to the Contract. In addition, the Company has

requested an extension of the agreement for an additional ten-year period, expiring on December 5, 2036; and

WHEREAS, the CITY has also proposed that the EDC assume a portion of the City's obligation, which will result in additional sales tax proceeds for the City's General Fund for enhancing overall CITY services; and

WHEREAS, the NBEDC voted to approve a Third Amendment to the Contract at its July 17, 2025 meeting.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF NEW BRAUNFELS, TEXAS:

SECTION 1: That the recommendation of the New Braunfels Economic Development Corporation, to approve a Third Amendment to the Contract with HD Supply Facilities Maintenance, LTD., is hereby approved.

SECTION 2: That this resolution shall become effective from and after the date of its passage.

PASSED, ADOPTED, AND APPROVED THIS 28th DAY of JULY, 2025.

CITY OF NEW BRAUNFELS

NEAL LINNARTZ, Mayor

ATTEST:

GAYLE WILKINSON, City Secretary