

## **RESOLUTION NO. 2025 – RXX**

### **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NEW BRAUNFELS, TEXAS, AMENDING THE CHAPTER 380 ECONOMIC DEVELOPMENT AGREEMENT WITH 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 with the NEBDC (formerly the NBIDC) that promised creation of 120 jobs in the first year of operation at its facility in New Braunfels at 1511 E. Common St., and 343 jobs by the end of the tenth year of operation; 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., and

WHEREAS, on December 4, 2006, the City of New Braunfels entered into a Chapter 380 Agreement (“Contract”) with the Company that reflected the same 390 job commitment, and other similar obligations as those contained in the Performance Agreement with the NBEDC; and

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

WHEREAS, by the First Amendment executed in 2020, 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, 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 upon the 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 intrastate sales to be sourced to the New Braunfels customer contact center once again; and

WHEREAS, the Company has requested to terminate the abatement of certain conditions made in accordance with the Second Amendment to the Contract, that the parties resume their

obligations to each other pursuant to the Contract, as amended, and additionally the parties have agreed to an extension of the contract for an additional ten-year period, expiring on December 5, 2036, subject to further extension by agreement; 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 to be reinvested back into the community for enhancing City services.

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

Section 1: That the Third Amendment to the Chapter 380 Economic Development Agreement between the City of New Braunfels and HD Supply Facilities Maintenance, Ltd. is hereby approved.

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

PASSED, ADOPTED, AND APPROVED THIS 28<sup>th</sup> DAY OF JULY, 2025.

CITY OF NEW BRAUNFELS

\_\_\_\_\_  
NEAL LINNARTZ, Mayor

ATTEST:

\_\_\_\_\_  
GAYLE WILKINSON, City Secretary