

EL PASO DOWNTOWN + UPTOWN  
MASTER PLAN APPENDIX

# SETTING THE STAGE



# EXISTING CONDITIONS AND PLANNING CONTEXT

For more information on the planning context visit [DT+UT Today and Tomorrow](#).

## The residents create an international, diverse, and young cultural context

The planning area is home to a highly diverse population—culturally, racially, and economically—which increasingly is a measure of opportunity. El Paso has not shared in the growth of household income over the past two decades that has benefited most of the other 25 largest US cities due to its relatively greater reliance on lower-wage industries like retail. In fact, El Paso currently ranks last in terms of median household income among the 25 largest US cities (which include Dallas, Houston, and San Antonio). At the same time, El Paso has not experienced the same widening of the wealth gap experienced by most of these cities. The median household income is lower in Downtown and along the Alameda Corridor compared to El Paso as a whole (\$48,866) and the State of Texas (\$63,826).

Higher median incomes—and increased wealth gaps—are associated with cities that have built more robust knowledge-based economies. Over the next decade and going forward, El Paso will have the opportunity to attract more knowledge economy growth, while at the same time managing this growth to ensure that the full community benefits from growing economic opportunity. Over the next two decades, knowledge industries are projected to create more than three-quarters of net new US jobs.

At the same time, dramatic demographic shifts across North America—and which are true of virtually every US region, are rapidly changing housing markets. Households with children dominated the form of housing for decades. By comparison to family household structures, by 2030, one-person households are projected to increase by 35% and make up 28% of US households (OECD).

These shifts will create unprecedented demand for living in mixed-use, walkable places—particularly downtowns, nearby neighborhoods, and places served by transit. This change represents both an opportunity and challenge for Downtown + Uptown—and all of El Paso and the region.



## EXISTING CONDITIONS AND PLANNING CONTEXT

The opportunity? Significant new housing demand for Downtown and “Transit Oriented Development (TOD) areas within walking distance (roughly one-quarter mile) to Bus Rapid Transit (BRT) and streetcar service. This demand will help transform Downtown and TODs into the kinds of lively, walkable environments that attract knowledge and innovation industry jobs and investment. With the continuing trend for educated adults moving to walkable cities and the equitable cost savings that a compact city provides when a private vehicle is not needed for every trip, there is real opportunity for Downtown + Uptown when the recommendations of this plan are implemented.

The challenge? This demand will require managing growth and preserving and creating affordable housing to ensure that Downtown + Uptown maintain their economic diversity. For the plan, this has meant protecting affordability for lower income residents while making quality of life improvements to the city center, prioritizing a cultural lens when making public spaces, and hosting inclusive public outreach events.

### Land use trends show a declining housing stock and opportunities for reinvestment

Downtown El Paso has not yet realized the demand for new high and mid-rise housing that is bringing renewed vitality to peer cities—and their regions. The 2020 Census data suggest the city went in the opposite direction since 2010: The downtown population declined by 3% while El Paso County saw an 8% increase, and Texas’ overall population jumped 16% (KTSM, 2021). The underproduction in city center housing has led to a lack of supply and unaffordability which presents an opportunity today.

Today there are 10,400 housing units (Esri, 2022) in Downtown + Uptown, most of which were built before World War II or in the early post-War decades. Many are in poor condition. Of the 2,969 residential units constructed in El Paso since 2020, only two new housing projects were built in the planning area.

This comparatively low performance in housing production in the city’s downtown explains the declining population in the planning area since the 1970s. Tucson, Arizona and Ft. Worth, Texas absorbed over 10% of their overall growth within their respective downtowns and Las Cruces and Waco absorbed over 20% each while El Paso absorbed just 2%—missing opportunity and market demand. One of the objectives of this plan is to unlock market demand realized in peer cities to attract and retain knowledge workers from institutions like UTEP and the community college as well as house professionals working in nearby institutions like the medical centers.

DESCRIPTION	Housing Units		2010–2021			
	2010	2021	Total	# Ann	% Ann	City %
Downtown	7,834	8,374	540	49	0.6%	2.1%
El Paso	227,639	253,269	25,630	2,330	1.0%	-
<b>Peer Cities (2-Mile Radius)</b>						
Colorado Springs	20,872	22,431	1,559	142	0.7%	6.7%
Albuquerque	20,004	20,996	992	90	0.4%	7.6%
Oklahoma City	13,143	16,129	2,986	271	1.9%	8.5%
Tucson	20,938	22,432	1,494	136	0.6%	11.0%
Fort Worth	10,922	17,844	6,922	629	4.6%	11.7%
Austin	35,709	50,747	15,038	1,367	3.2%	17.5%
Las Cruces	18,232	19,403	1,171	106	0.6%	19.5%
Waco	16,882	18,086	1,204	109	0.6%	20.4%
San Marcos	10,407	12,236	1,829	166	1.5%	28.1%

Source: ESRI; Economic & Planning Systems



## EXISTING CONDITIONS AND PLANNING CONTEXT

Affordability is also an issue. While 45% of the area’s 7,300 rental units are considered affordable (rent less than 25% median income), many are in a poor state of repair. Some neighborhood leaders report evidence of displacement as multifamily housing is renovated and rents are subsequently increased. The planning area has largely been devoid of new housing construction and devoid of surging demand for housing in walkable downtowns that has characterized peer cities across north america in recent years.

### Existing, but improved, mobility services in the area create a unique foundation for transit-oriented development

Mobility options are available but currently underused for a variety of reasons. Downtown + Uptown El Paso’s transportation and mobility network is based on a well-connected grid of streets and blocks interrupted only by major physical transportation barriers such as Interstate 10 and the Union Pacific Railroad corridor. The physical form of El Paso is defined largely by topography and the geographic expanse of Fort Bliss: the Franklin Mountains divide the city into western and northern corridors centered along Mesa Street and US 54, respectively, and Fort Bliss divides this northern corridor from an eastern corridor centered on major streets like Montana Avenue, I-10, and Alameda Avenue. Downtown and its surrounding neighborhoods are the meeting point of these corridors, and as such its street network features a combination of thoroughfares connecting to other parts of the city and smaller streets making up a local street network. The result of this is an extensive and highly versatile street network offering numerous options for designating modal priorities, although the network is largely used today only for vehicle travel.

The Mesa Street corridor is auto-oriented and lacks walkable streets, public spaces, and reasons to do anything along this corridor but drive through it. Montana and Texas Avenues require continuous shade trees to improve walkability and improved economic vitality. Most neighborhoods in the planning area have at least one notable public space but Downtown + Uptown collectively lack an interconnected system of appealing urban parks and informal gathering places connected by walkable streets, bike lanes, and supporting public realm infrastructure. Segundo Barrio hosts and celebrates its vital living culture, but would benefit dramatically with enhanced public spaces, new affordable housing and overall investment in its infrastructure.



# EXISTING CONDITIONS AND PLANNING CONTEXT

One of the most distinctive features of the street network is a relatively limited number of streets carrying large traffic volumes. Traffic in and out of Downtown + Uptown El Paso primarily uses the Mesa Street (north-south) and Paisano Drive (east-west) corridors or enters downtown directly from I-10. No other corridor in downtown carries more than a combined 20,000 vehicles per day, even though all corridors have a much higher carrying capacity.

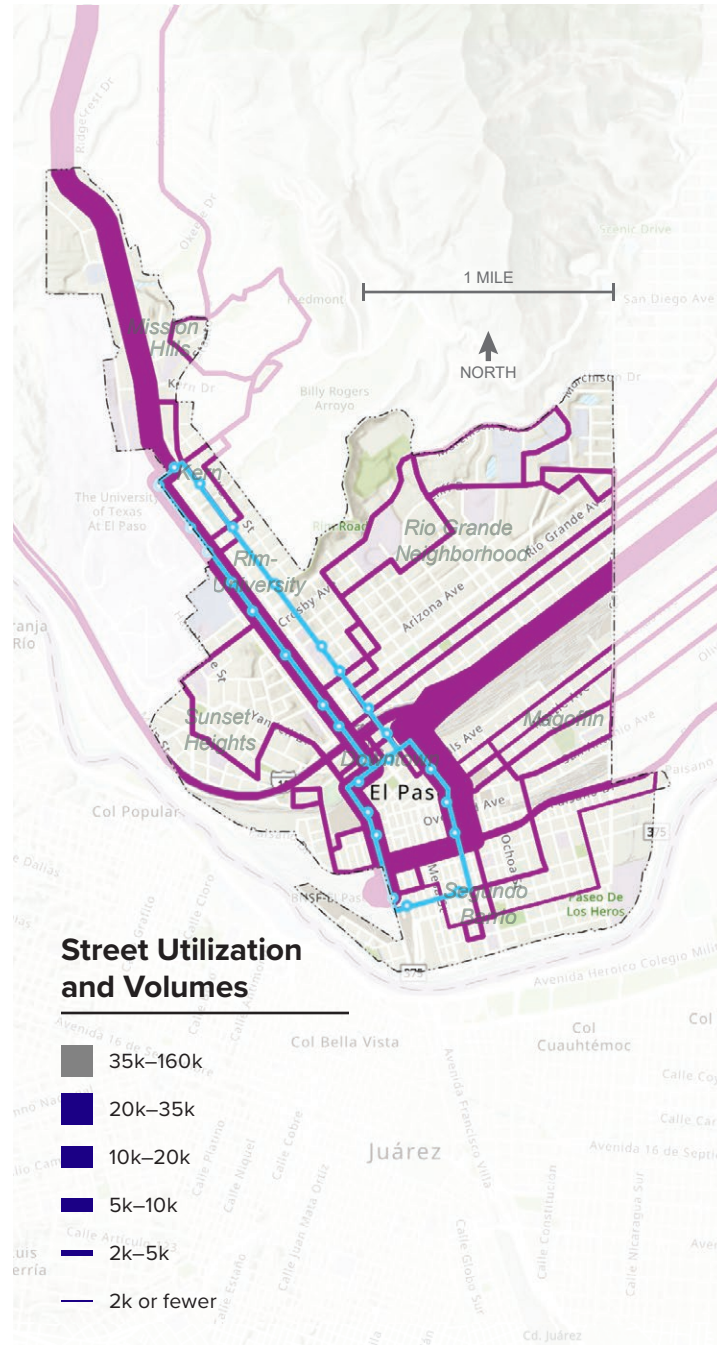
These existing traffic volumes when compared to their vehicle-carrying capacity present an opportunity for rethinking streets in Downtown + Uptown. When considering the average amount of vehicle traffic per roadway lane, large parts of the city use substantially less roadway capacity than exists. The streets where an average of 3,000 vehicles use each lane each day may be candidates for reconfiguration to incorporate bicycle lanes, wider sidewalks, and/or on-street parking. These include streets such as Montana and Texas Avenues. This also includes some collector class thoroughfares in surrounding neighborhoods. The goal is to reduce speed and improve walkability.

The Downtown + Uptown Plan is an opportunity to shape the development of a new thoroughfare plan in a way that prioritizes thoroughfare investment on key corridors but takes a more balanced approach on other city streets.

## ACTIVE TRANSPORTATION

El Paso's network of sidewalks and walking/biking trails is more limited, although a majority of streets include sidewalks on at least part of their length. A small but connected network of off-street shared use paths provides travel alternatives through the city for pedestrians and bicyclists. However, the on-street network for bicycles is significantly limited.

The most notable gaps in the sidewalk network are in the east and west ends of Downtown + Uptown, in the Texas Avenue corridor and Chihuahuita industrial districts. Many of these streets were designed for the industrial uses comprise the majority of uses in these areas. Even along streets with sidewalks, there are plenty of gaps the city has not filled in adjacent to vacant land. These intermittent sidewalks persevere from the historic period of underinvestment and redlining. Sidewalks themselves vary in their design and condition, though most are separated from roadways.



## EXISTING CONDITIONS AND PLANNING CONTEXT

### TRANSIT

El Paso’s transit provider, SunMetro, operates a series of fixed-route services through the Downtown + Uptown districts and a 2.7-mile streetcar loop currently providing afternoon and evening service on late-week and weekend days. The bus network is anchored by a series of four bus rapid transit (BRT) corridors, branded as “Brio,” that connect the downtown El Paso transit center on Santa Fe Street to four of the city’s major corridors (Mesa Street, Dyer Avenue, Alameda Avenue, and Montana Avenue).

Although the service network is extensive in the Downtown + Uptown area, the amount of service on individual routes is limited, with some buses operating on headways (time spacing between buses) of 60 minutes or more.

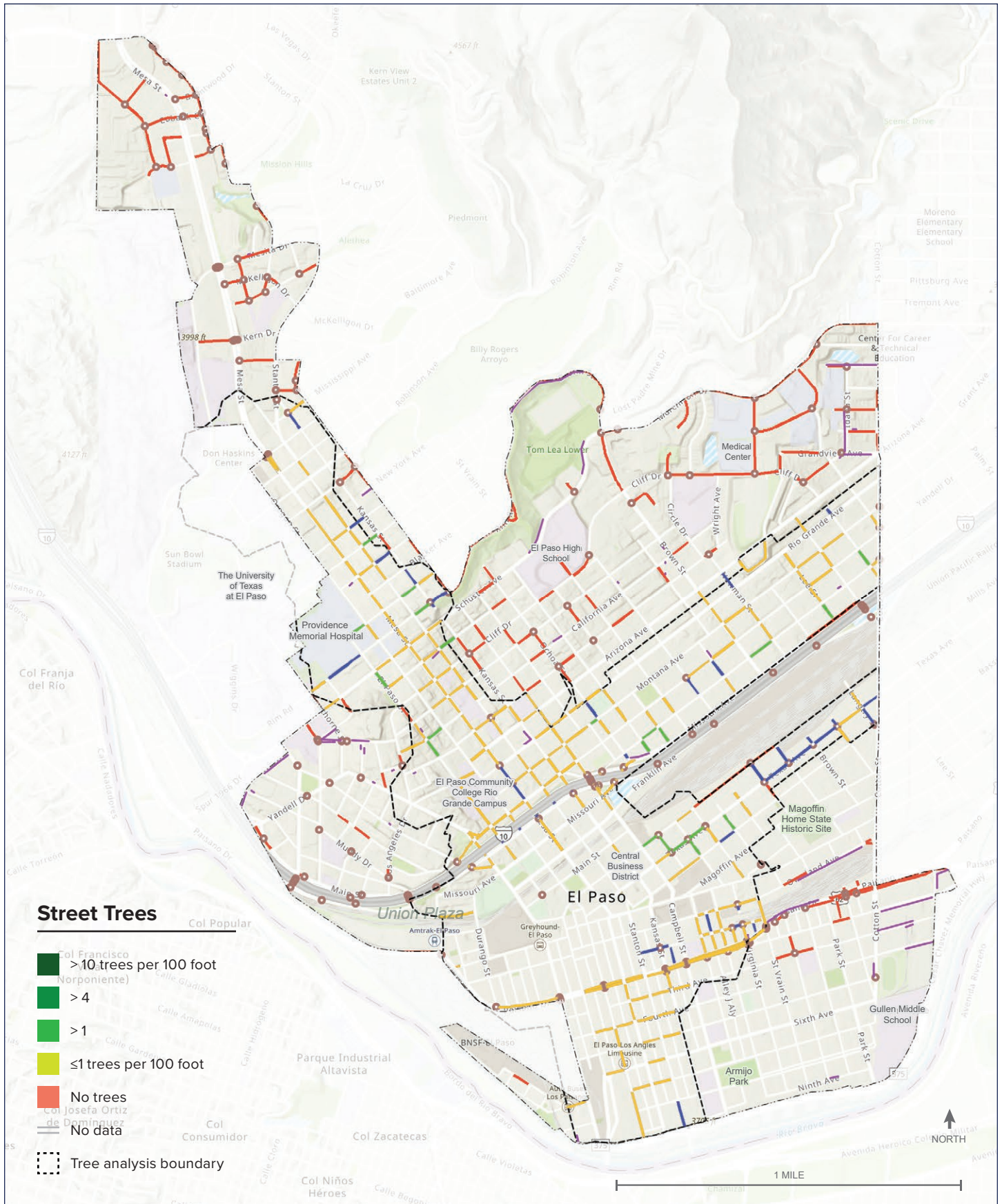
### PARKING

The Downtown + Uptown area has a large parking supply, with an estimated 20,000 off-street spaces in and around the business district and another 5,000 to 7,000 spaces in Uptown (excluding parking on the UTEP campus). In addition, most streets allow on-street parking for large portions of their block lengths, adding capacity for approximately 6,500 additional spaces. On-street parking is managed by the City of El Paso’s International Bridges Department, and all off-street parking is owned and operated by private entities (with Diversified Parking and Parking Systems of America managing the largest shares of downtown lots and garages).

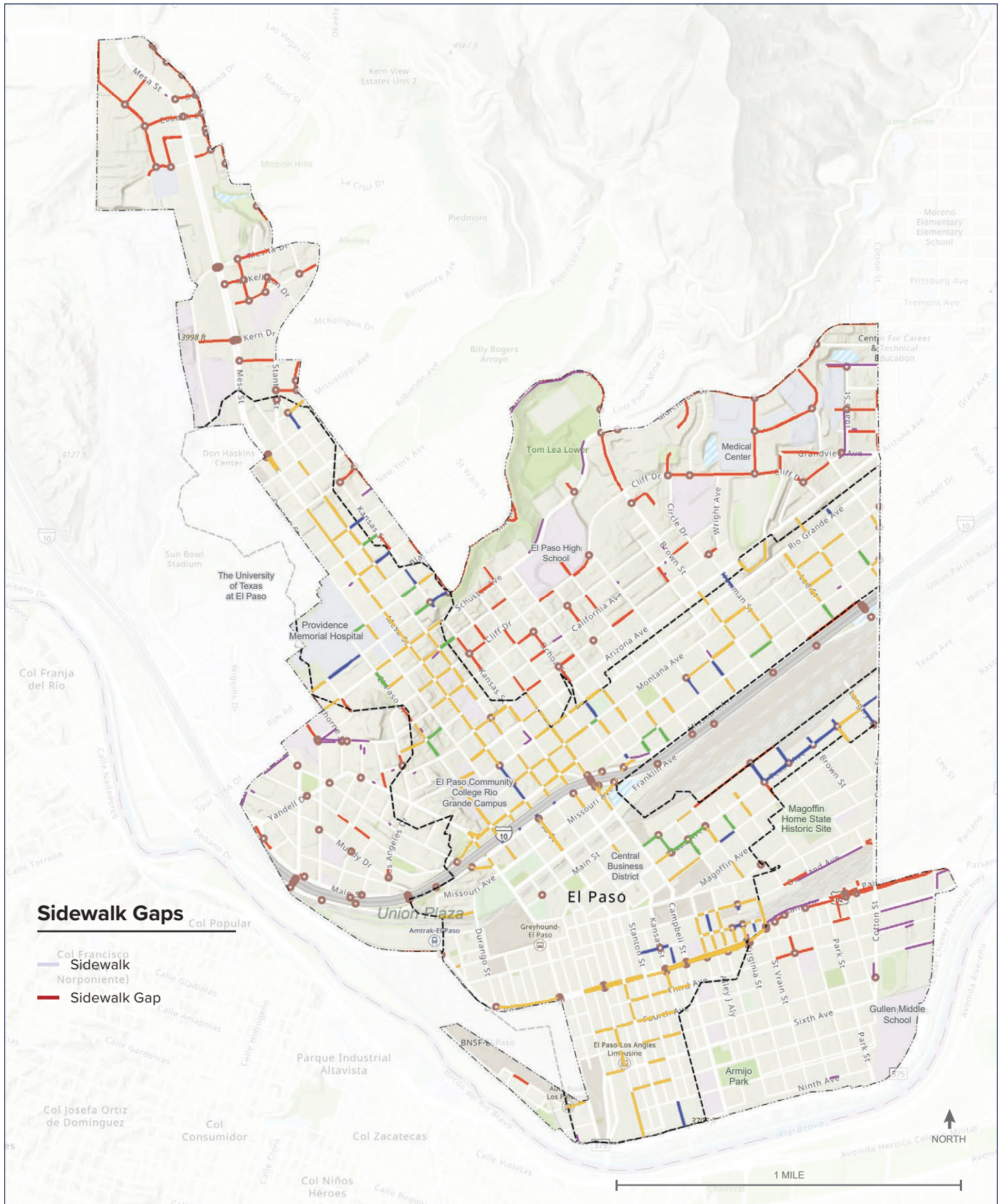
Currently, much of downtown’s parking supports adjacent land uses, even the publicly-accessible, paid parking in lots and garages. A 2019 City-led study found parking utilization to be higher in the western parts of the downtown near Southwest University Park and the El Paso Convention Center; and lower utilization east of the business district near the El Paso County Courthouse and United States Federal Courthouse.



# EXISTING CONDITIONS AND PLANNING CONTEXT

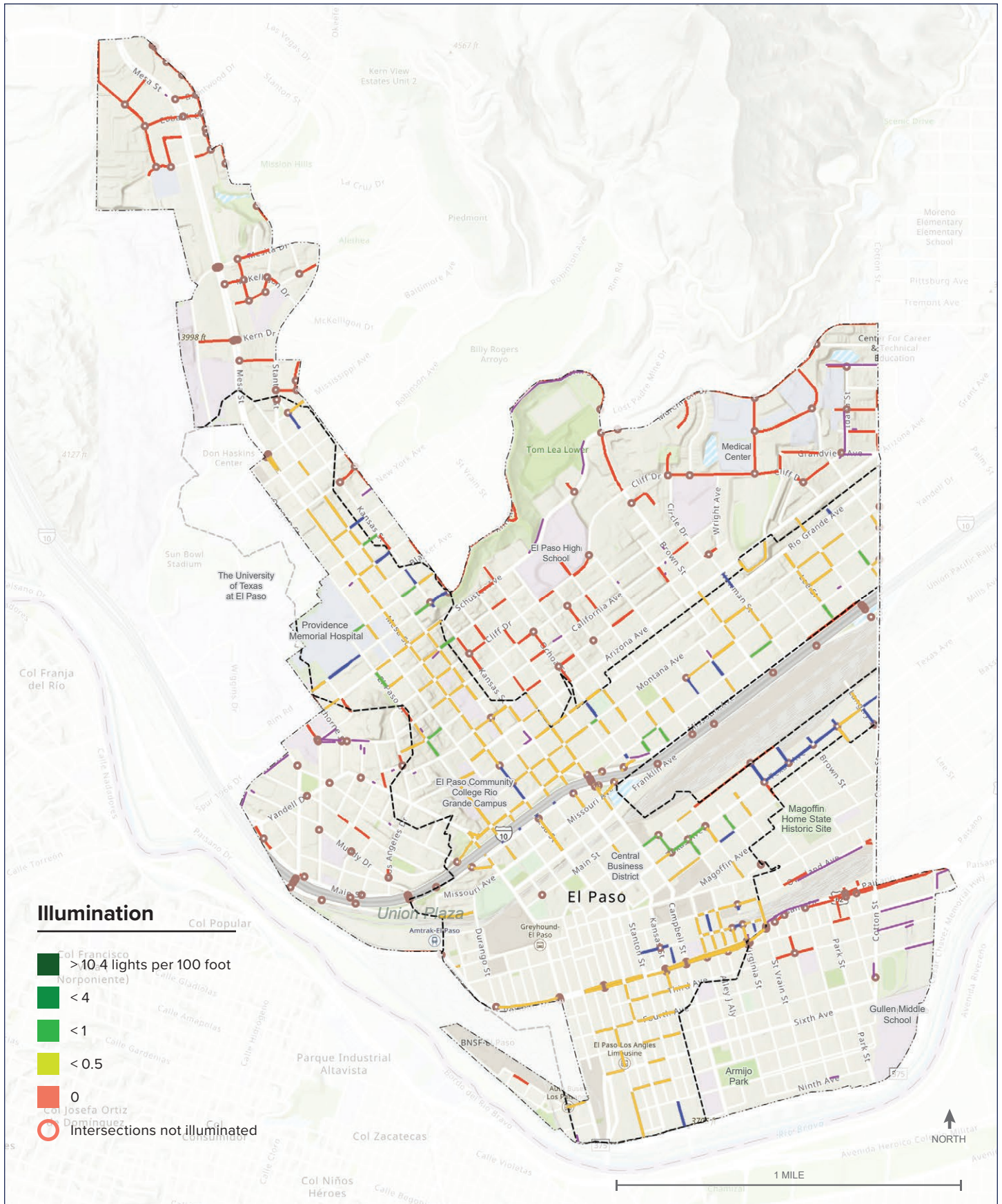


# EXISTING CONDITIONS AND PLANNING CONTEXT

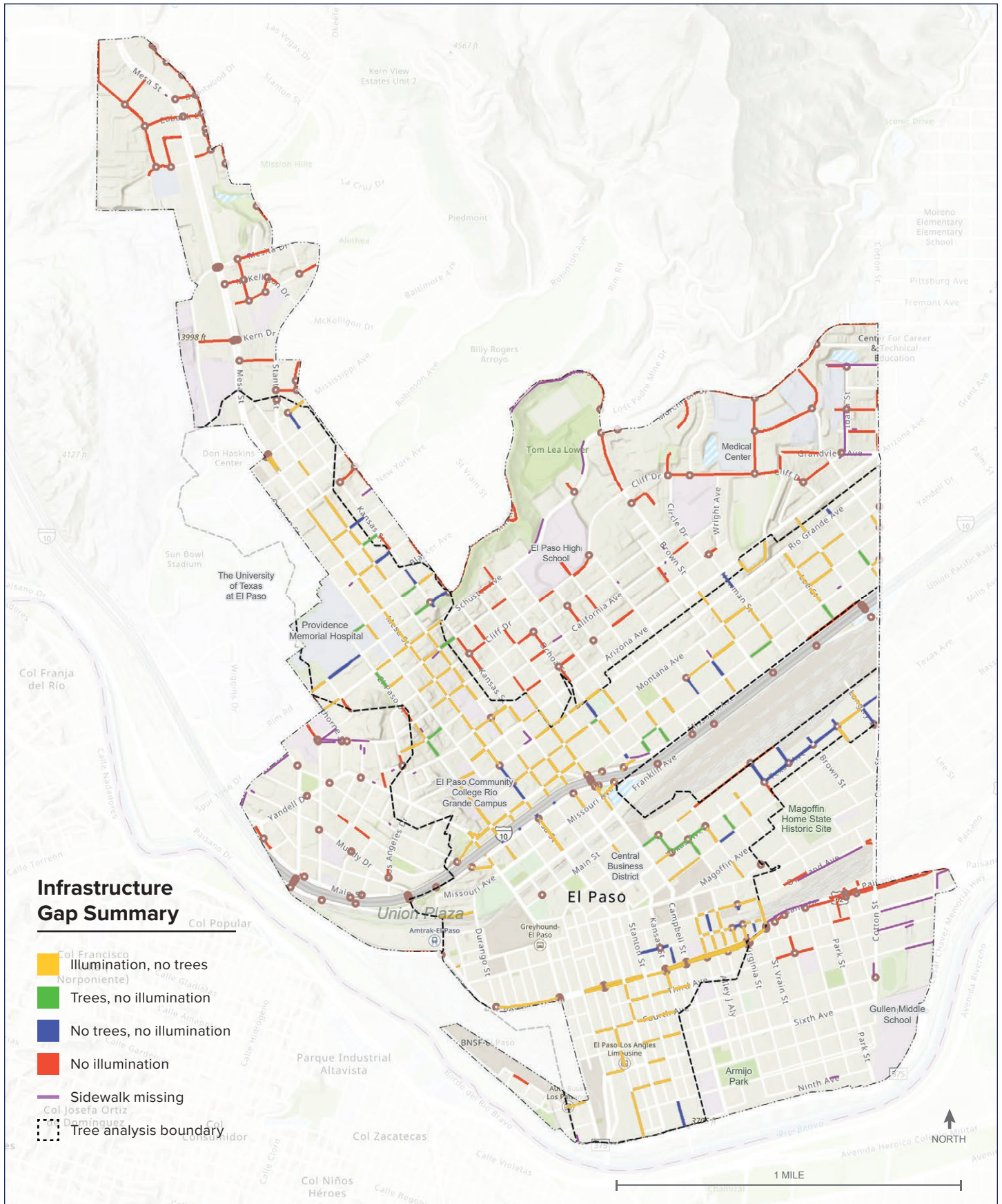




# EXISTING CONDITIONS AND PLANNING CONTEXT



# EXISTING CONDITIONS AND PLANNING CONTEXT



# EXISTING CONDITIONS AND PLANNING CONTEXT

## Economic activity in the area has anchors in cross-border trade, medical services, and education

The local economy, including the cross-border region of El Paso and Juárez, is focused heavily on trade, government, and healthcare. El Paso's unique location and its role in the international supply chain provides it with certain advantages in industrial development (however, these are mainly transport-related, which do not provide the full economic benefits of industrial production and processing). Industrial production across the border also creates opportunities for a wide range of higher value component production in El Paso and for professional services. Traditionally, cross border economic activity contributed to office demand in Downtown and elsewhere; however, since the pandemic accelerated the growth of hybrid work, it is difficult to project new office demand for the foreseeable future. For the next twenty years all US workforce growth will come from immigration due to increasing workforce shortages.

### EMPLOYMENT IN THE CITY CENTER

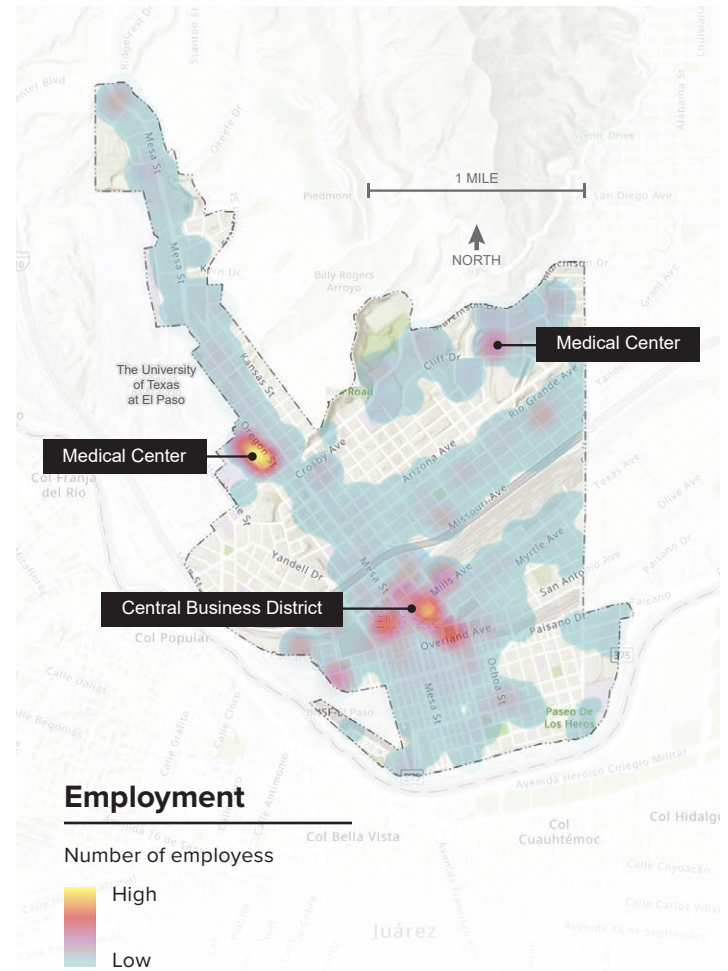
Healthcare & Social Assistance dominates the local economy and is the source of the highest employment growth. This is followed by Administration & Support, Education, and Public Administration (Government), Call centers, and financial services firms with operations in the greater El Paso area. Leisure & Hospitality and Retail Trade are also significant from a location-quotient perspective, showing greater concentration than for most other cities.

### El Paso Employment by Industry

(in thousands)

INDUSTRY	Current Jobs		Current Growth		10 Year Historical		5 Year Forecast	
	Jobs	LQ*	Market %	US %	Market %	US %	Market %	US %
Manufacturing	17	0.6	0.19	3.13	-0.57	0.75	-1.16	0.12
Trade, Transportation, and Utilities	70	1.1	0.48	3.04	1.57	1.26	0.45	0.07
Retail Trade	40	1.2	-0.08	2.20	0.97	0.64	0.32	0.04
Financial Activities	14	0.7	0.65	1.94	0.83	1.43	0.62	0.21
Government	68	1.4	0.23	0.65	-0.10	0.16	0.72	0.55
Natural Resources, Mining, and Construction	18	1.0	0.59	3.80	3.00	2.52	0.73	0.35
Education and Health Services	49	0.9	3.01	3.25	2.20	1.66	1.18	0.65
Professional and Business Services	38	0.8	1.60	3.94	2.29	2.17	0.81	0.45
Information	5	0.8	6.56	5.13	-1.86	1.31	1.08	0.36
Leisure and Hospitality	39	1.2	3.21	6.99	2.64	1.34	1.24	1.21
Other Services	9	0.7	2.59	2.99	-0.56	0.51	0.67	0.44
<b>Total Employment</b>	<b>328</b>	<b>1.0</b>	<b>1.39</b>	<b>3.27</b>	<b>1.27</b>	<b>1.29</b>	<b>0.71</b>	<b>0.46</b>

Source: Oxford Economics | \*LQ: Location Quotient



## EXISTING CONDITIONS AND PLANNING CONTEXT

Retail in El Paso is significantly influenced by cross-border shopping from its sister city of Juarez just south of the Rio Grande. With the peso gaining ground against the dollar between fall 2021 and fall 2022, Mexican consumers have been further encouraged to cross the bridge and spend their money over the past year. However, border counts indicate that this traffic is less pedestrian than it has been in the past as Mexican shoppers take private vehicles out of the planning area to automobile-oriented retailers.

Apart from the disruptions from the pandemic, job growth has been consistent but relatively slow (around 2% per year), at least compared to other larger cities in Texas and across the Southwest. Conditions have stabilized as the pandemic continues to wind down. Unemployment remains low at around 4.5%.

Stepping back to this regional level, Healthcare & Social Assistance sector dominates, but Retail Trade, Educational Services, and Accommodation & Food Service are also significant.

### CROSS-BORDER INDUSTRY

El Paso is not considered a large distribution hub but its logistics stock is significantly larger than any other metro within a 300-mile radius north of the border. Distribution and warehouse space comprises more than 75% of El Paso’s overall industrial inventory, and cross-border trade is paramount here. According to the U.S. Department of Commerce, El Paso exports have grown more than 210% over the last decade. The metro is among the nation’s leading exporters of goods to Mexico.

Cross-border cargo traffic has increased steadily. Juarez has seen approximately 6 million square feet of industrial construction activity in Q1 2022 (CBRE Marketview). Professional and technical services are also increasing in Juarez. Manufacturing in Mexican border towns (referred

to as Maquiladoras) has significant impact on neighboring US communities. Many top suppliers of factories are in El Paso. The continued growth of Maquiladoras offers diverse opportunities for growing El Paso’s DT+UT professional services, business services, supplier, and related industries. Factories and related logistics drive demand for distribution, administrative, legal, and financial services, which largely locate on the US side of the border. A 2011 study by Cambridge Systematics for El Paso estimated 115,000 direct jobs in border-dependent businesses (out of 460,000 in El Paso metro region).

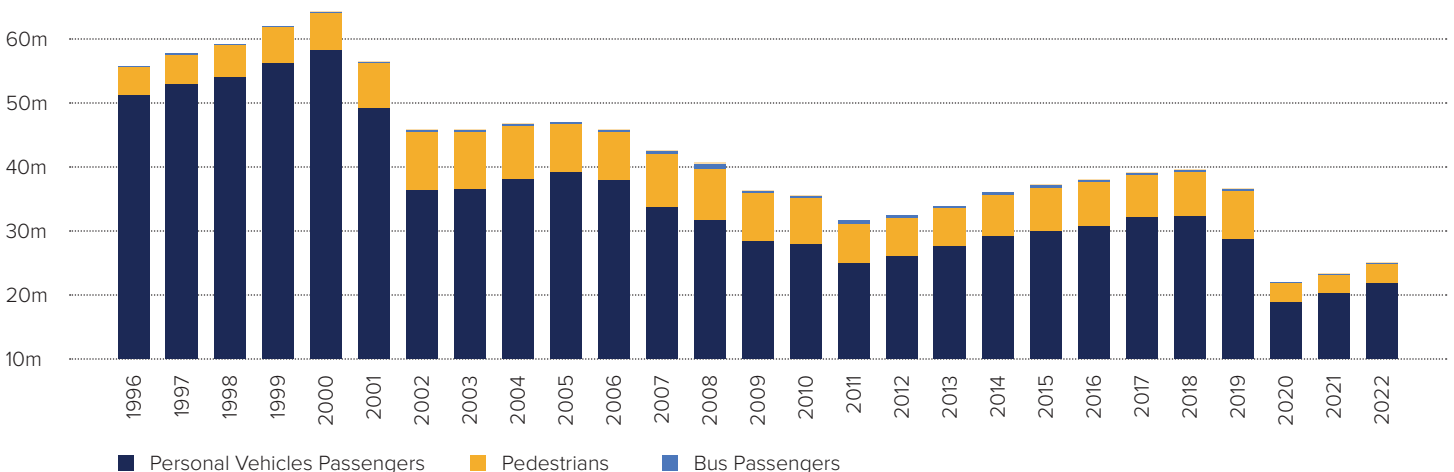
### CROSS-BORDER RETAIL

El Paso, being a border town, experiences additional spending demand from those crossing the border to shop in stores that may not be available back in Mexico (although it should also be noted, that many people from El Paso also cross into Mexico to spend on certain kinds of retail/dining activities). Border crossings have been declining for most of the past 25 years.

Although the border crossing numbers are still significant at nearly 15 million, not all of that traffic is destined for El Paso itself. Much of it is simply through traffic. The city notes that there were approximately 2.2 million visitors in 2021, spending a combined total of \$1.8 billion, or about \$800 per visitor. If we assume retail rents are on average 7.5% of gross revenues and use the average retail rent of \$16 per square foot, the amount of retail supported by the tourist market is roughly 8.5 mil square foot, or roughly 16% of the existing total.

If the long-term trend of decline in crossings in the graph continues, that figure may decline too. The main takeaway here is that the bulk of retail spending comes from residents, and thus retail will continue to be driven mainly by population growth.

**El Paso Border Crossings (1996–2022)**



# EXISTING CONDITIONS AND PLANNING CONTEXT

## Commercial real estate

This Plan taps projected demand for roughly 10,000+ additional housing units in Downtown + Uptown by 2040, which means capturing a substantially larger portion of El Paso’s overall growth in the next two decades within the Downtown + Uptown area than in previous decades. Growth in housing and residentially supportive uses will set the stage for economic development.

El Paso’s economic growth is anticipated to center around jobs that require knowledge and higher education as industries continue to shift in the next 20 years. As noted above, because workforce growth continues to stagnate – and all net growth will be supplied by immigration – competition for the educated workforce is accelerating. Jobs and private investment follow “talent”. Therefore, growing, attracting, and retaining an educated workforce helps grow broader regional jobs and investment. As noted above, attracting talent must be paired with growing local talent—and creating an environment that retains both. Data suggest that new knowledge- and innovation-industry jobs generate additional jobs and small business opportunities for employees with a wide range of skills and backgrounds. For example, the City of Buffalo projects that each new knowledge-industry job creates five additional jobs.

Together with educational institutions (UTEP, EP Community College), Downtown + Uptown’s planned walkable, mixed-use environments can play a central role in attracting and retaining educated talent and broader regional economic development. Office jobs are likely to locate in the city center as educated adults are more likely to move to walkable, mixed-use urban places like those Downtown + Uptown can provide.

This 10-year job-demand represents a cumulative increase of about 18%. Assuming 250 gross square feet per employee, the office demand is equivalent to approximately 2 million square feet of new office space (in the planning area and buffer through 2030), assuming long-term vacancy rates (approximately 7%) remain. Adjusting this number to account for current hybrid work trends would reduce the net new demand by roughly 40% based on current projections. However, further analysis suggests that lower quality office space—“Class B and C space” is being vacated while demand for new, “Class A” space continues (albeit reduced from pre-pandemic levels). If limiting this projection to the planning area alone (excluding the buffer), then the amount of office jobs and associated office space would be approximately 40-50% of the figures above (approximately 3,200 new “office” (many resulting in hybrid work models) jobs over 10 years, or about 320 jobs per year). The total figures (but not the annual) would approximately double if extending the projection period through 2040.

### BORDERPLEX WORKFORCE DEVELOPMENT AREA

Projected Change in Jobs by Sector (2020–2030)	#
Healthcare and Social Assistance	11,041
Accommodation and Food Services	9,486
Admin and Support; Waste Mgmt and Remediation Services	5,645
Retail Trade	5,536
Education Services	4,699
Transportation and Warehousing	3,107
Government (PO, State/Local Education/Hospital)	3,106
Construction	2,314
Other Services (Except Public Admin.)	1,454
Finance and Insurance	1,403
Management of Companies and Enterprises	994
Manufacturing	846
Wholesale Trading	777
Professional, Scientific, and Technical Services	758
Real Estate, Rental, and Leasing	693
Arts, Entertainment, and Recreation	569
Self Employment Workers (All Jobs)	427
Utilities	347
Information	277
<b>Total</b>	<b>53,479</b>

Source: [texaslmi.com](http://texaslmi.com)

The following table shows the projected number of new office jobs through 2030. The office submarkets covering the planning area plus 1-mile buffer account for approximately 60% of total existing regional office inventory. If such proportion remains over time, then new office jobs through 2030 will be approximately 7,200. The continuing shift to hybrid work models may slow office investment—but not new job creation.

### PROJECTED NEW OFFICE JOBS (2020–2030)

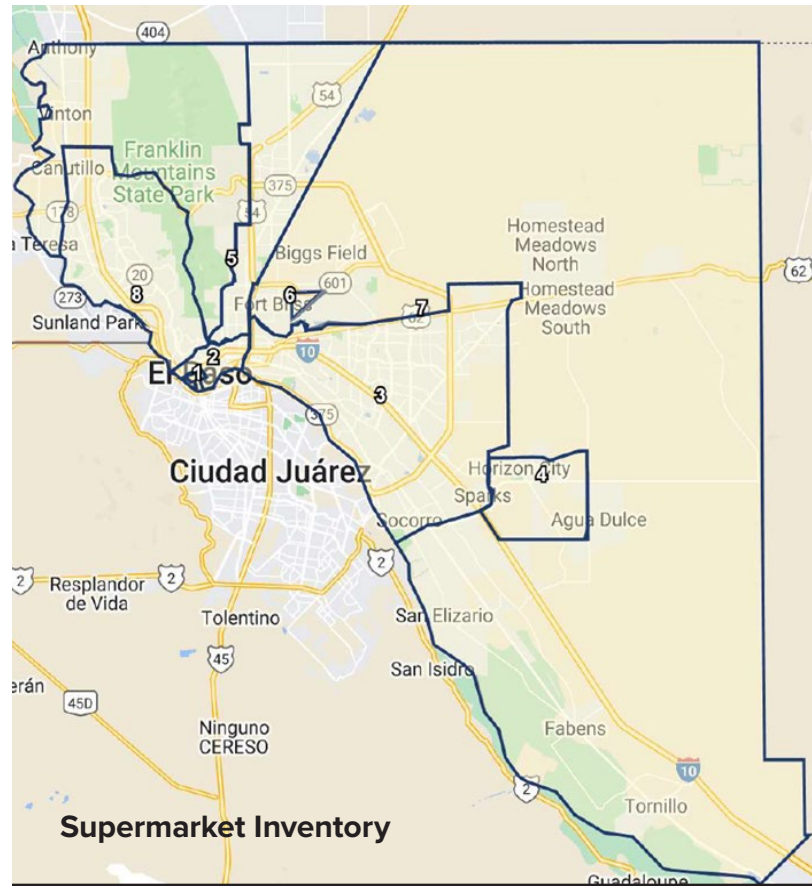
Industry Subsector	Regional
Admin and Support; Waste Mgmt and Remediation Services	3,398
Healthcare and Social Assistance	2,584
Finance and Insurance	1,392
Government (PO, State/Local Education/Hospital)	1,016
Management of Companies and Enterprises	994
Professional, Scientific, and Technical Services	722
Real Estate, Rental, and Leasing	660
Transportation and Warehousing	494
Education Services	291
Information	194
Retail Trade	72
<b>Total</b>	<b>12,036</b>

# EXISTING CONDITIONS AND PLANNING CONTEXT

When considering other, non-office jobs, there are several other major categories of land use to consider: industrial, retail, and hospitality (hotels and tourism-related businesses). Industrial development in El Paso tends to be outside of the planning area, given its transportation, distribution, and warehouse focus, which is truck traffic dependent and less appropriate for the city center. It is thus not the focus of this study.

Retail land uses cover a wide range of employment, from stores selling goods, to businesses offering services. Restaurants, bars, and other entertainment also all fall into this category. Generally speaking, urban retail is driven by the local resident population. Employees are a relatively minor factor and in many cases employees are also residents. In the US, the rule of thumb for retail spending in a self-contained market is approximately 20 square feet per person (although it can range from 10-40 square feet/person depending on the market). El Paso currently has about 54 million square feet of retail space for a population of approximately 975,000 (excluding Juarez), which equates to roughly 55 square feet per person. If Juarez is included, the population of the combined area is roughly 2.7 mil. Ignoring retail space in Juarez (for which we don't have data), the US retail space is roughly 20 square feet per person for the combined population in the metro area.

With 10,000 new units targeted for the planning area by 2040, and assuming a continuation of the average household size of 2.2 people per unit (what currently exists in the planning area), the resulting 22,000 new residents could support new retail of up to 440,000 square feet citywide. Some of the spending and supportable space would likely locate outside the planning area (e.g., in malls and big box discount stores at the urban periphery), but this could also be balanced out by non-area residents coming to the city center to shop, if improvements to the area make it appealing as a destination. If not, the amount that is supportable in the planning area is probably 1/2 of what is indicated above, closer to 10 square foot/person, and 220,000 square foot total. The above estimates of retail would support an additional 500-1000 retail/service sector jobs at 450 square foot/employee.



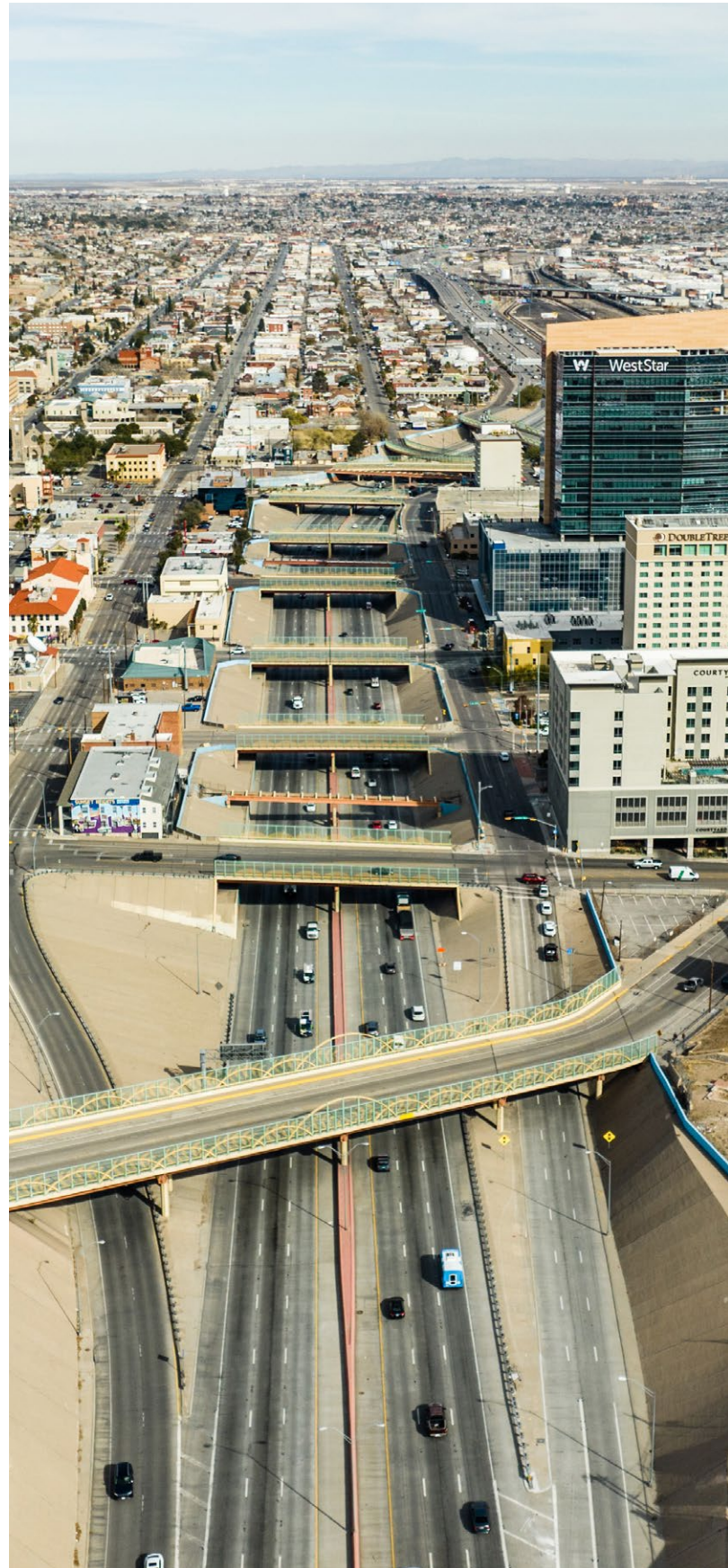
No.	SUBMARKET	Bldgs	SF (000)	% Market	Rank
1	CBD	101	5,405	21.6%	2
2	Central	721	3,898	15.6%	4
3	East	798	7,810	31.2%	1
4	Horizon	23	104	0.4%	8
5	Northeast	208	1,225	4.9%	5
6	Northeast Butterfield Trail	5	129	0.5%	7
7	Outlying El Paso County	197	1,138	4.5%	6
8	West	504	5,333	21.3%	3

## EXISTING CONDITIONS AND PLANNING CONTEXT

### Major infrastructure changes have created the potential to rethink the city center

Major investments in infrastructure since the adoption of the last Downtown plan have created a new context for this plan's strategies. Listed below are several notable changes and how they impact the plan:

- **State Highway Loop 375:** The border west expressway, completed in 2019, removed an access ramp from South El Paso, thereby reducing access to that neighborhood. Overall, the completed loop increased vehicular capacity and therefore frees up surface street capacity for other uses, including non-motorized transportation and greening.
- **Reimagine I-10:** TxDOT is planning to widen I-10 through the planning area. The aim of the project is to add one travel lane in each direction to increase the roadway capacity. As part of this project, surface frontage roads in Downtown will also be upgraded. The City of El Paso and the Paso del Norte Community Foundation are working with TxDOT to ensure that the rebuilt frontage roads are complete streets and include accommodation for people walking and bicycling as well as public transit.
- **Downtown Management District (DMD) Administered Programs:** the DMD manages a commercial façade improvement program and is the City's partner in maintaining infrastructure in Downtown through the DMD Urban Landscaping Program. Specific services include the inventory of street trees, removal and trimming of trees, planting and maintaining trees, and improvements to the overall planting conditions. Their programming will be valuable as more trees are installed with new investment and development.
- **TIRZ 5 Projects:** The Downtown TIRZ (Tax Increment Reinvestment Zone #5) has enacted several projects. Notably, the TIRZ is finalizing a Street Tree Master Plan, the recommendations from which are incorporated in this plan.
- **Flood Risk Management:** The [U.S. Army Corps of Engineers](#) and [El Paso Water](#) are working to address flood risks in South El Paso, including areas south of I-10 where water ponds in the flats between the interstate and the Rio Grande River. The first phase of flood protection infrastructure construction is expected within 3-5 years, according to a presentation given in October 2022.



## EXISTING CONDITIONS AND PLANNING CONTEXT

- City of El Paso’s Capital Improvement Department (CID) CBD4 funding mechanism:** The CBD4 mechanism organizes municipal finance for street improvements, including changing street cross sections to be in line with the 2021 El Paso Street Design Manual and enacting the El Paso Bike Plan. The CID also works to create important cultural destinations that will propel interest in the city center, including the El Paso Children’s Museum.

### Changes in state policies emphasize growing efficiently within El Paso’s existing footprint

Like the major infrastructure updates, changes in state policies since the adoption of the last Downtown plan change the conditions that this plan reacts to. Notable changes include:

- Texas State Legislature** passed legislation in 2005 that bans affordable housing requirements, also known as Inclusionary Zoning, which typically requires market rate housing to subsidize below-market rate affordable housing. Now that this ban is in place, El Paso and other Texas cities that aim to increase their affordable housing stock need to employ other measures to meet housing goals. This plan’s approach is covered in the Implementation chapter.
- Property tax cap measures:** State property tax reform, including a property tax increase cap of 2%, negatively impacts El Paso’s revenue generation compared to previous years. The city must be more efficient with capital investments and develop long term strategies to achieve a more fiscally sustainable development pattern.
- Limit on City-initiated annexations:** Previously, the City could initiate an annexation of County land. The change in state policy means that annexations must be property-owner initiated. This effectively slows down the City’s ability to grow its area. The outcome of this change promotes growth through infill of established areas like the city center.





## IMPACTFUL TRENDS

### Economic development increasingly hinges on access to talent

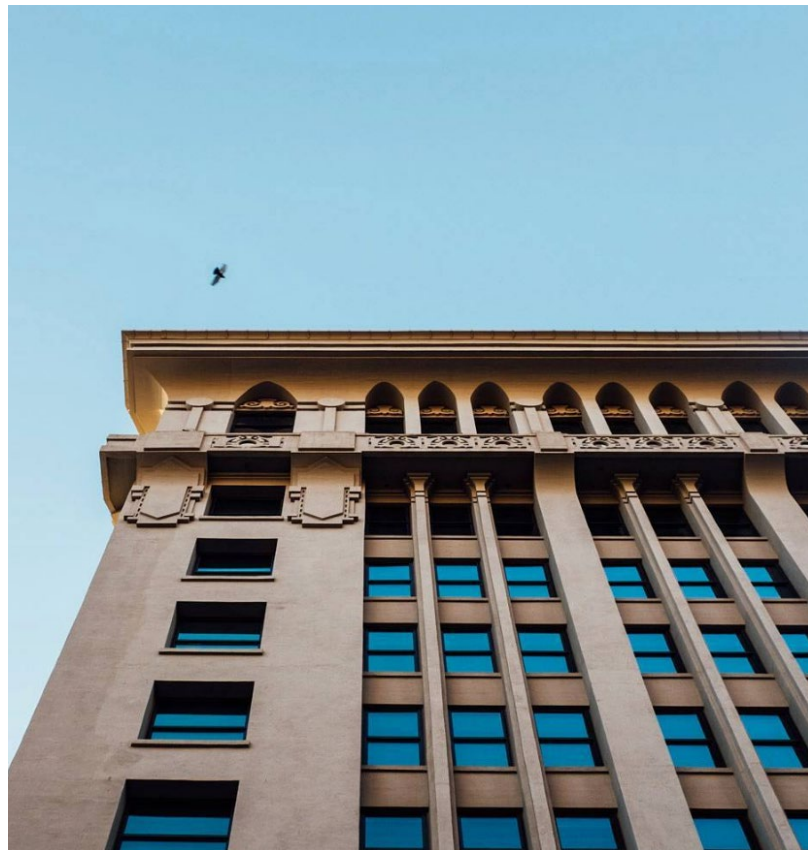
Jobs are not enough—workforce readiness and skills training is required to get ahead as the gap between productivity and worker’s compensation increases ([EPI](#)). Low wages are a crisis across the country—32% of all workers in the United States earn less than \$15 per hour ([Low Wage Crisis](#)). Looking specifically at Texas, 62% of jobs in 2020 required postsecondary education. Two years of higher education or technical training would qualify a Texas resident for approximately 71% of jobs ([Georgetown, 2020](#)).

El Paso’s city center must play a new role and generate demand for individuals with higher educations and employers with a focus on the knowledge economy. Indeed, the essential functions of a city—cooperation, community, communication, and mobility—require an efficient area where a diversity of activities can simultaneously take place. Knowledge workers have shown a preference for this type of mixed-use community with “5-minute environments” that promote creative collisions: the informal, unplanned conversations where new ideas begin ([Collision Density, 2017](#)).

### Covid-19 reshaped the border relationship and how we use downtown

The Covid-19 pandemic accelerated long-term trends toward hybrid work models that decrease demand for office space and in-office work trips. An example of an in-office trip is picking up lunch near the office during the workday. As we move forward, El Paso must rebuild Downtown thoughtfully to encourage employers to relocate here, residents to move here, and employees to make those in-office trips and attract new residents. The trend towards a diverse housing market helps to rebuild interest in Downtown and drives demand for new employment opportunities.

The pandemic and trade tariffs impacted cross-border economic activity. As described in the Existing Conditions section, this has led to revived investment in industrial/manufacturing in Juarez.



## IMPACTFUL TRENDS

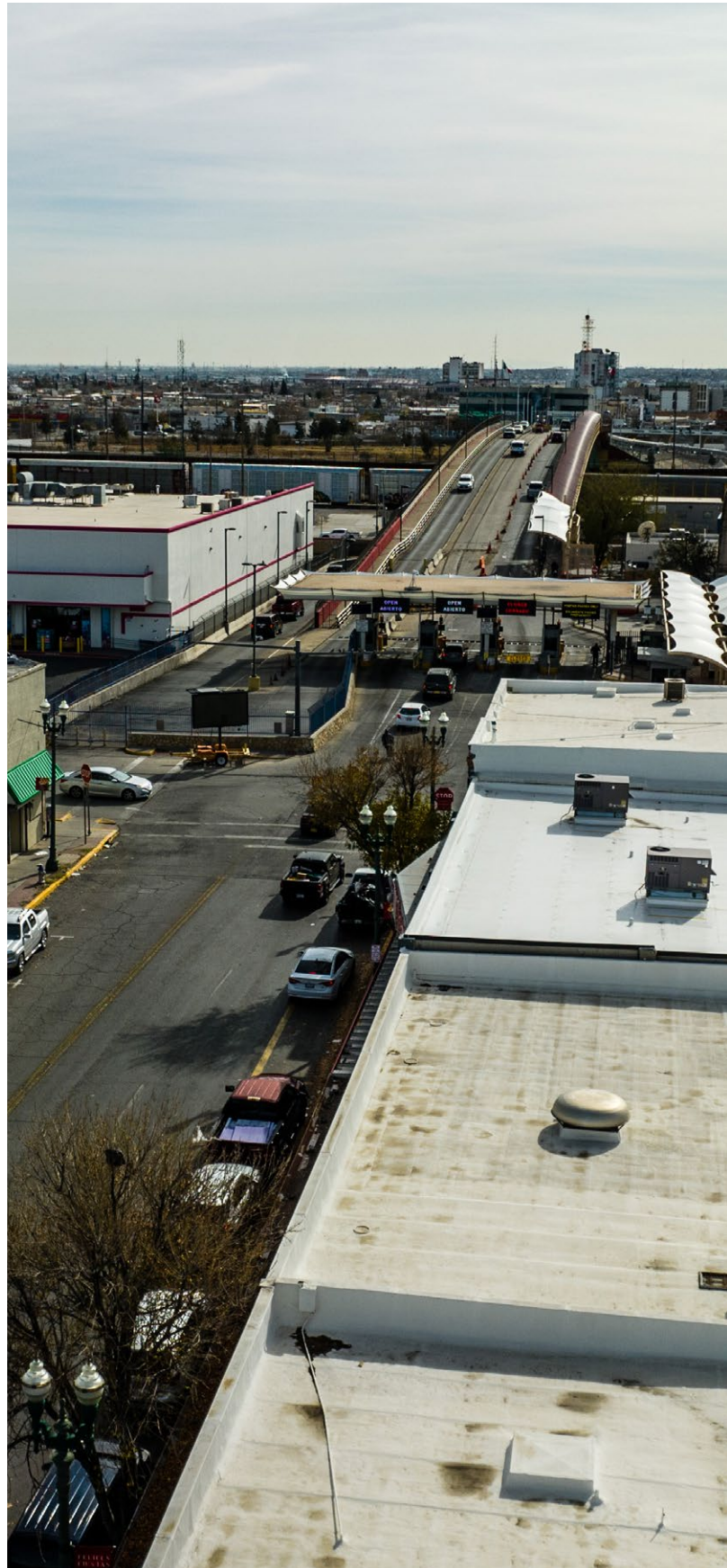
However, it also means that Mexican shoppers are more likely to shop in Mexico rather than cross into El Paso for certain purchases, and especially pedestrian shopping in Segundo Barrio has decreased. Historically shoppers from Mexico had a large impact on retail sales in border towns. The proportion of Mexican shopper is Dallas Federal Bank estimate (2007) of 26% on average, 11% in El Paso at the peak. More recent studies estimate between 5% to 10% for El Paso. Retail spending by Mexican nationals has been declining since NAFTA was enacted, which increased access to certain retail goods in Mexico.

Personal border crossing trips (vehicles/pedestrians) have fluctuated over the past two decades but are generally trending down (impacted by economic conditions, violence, etc.). The pandemic stopped non-essential crossings for 20 months. While cargo trips have exceeded their pre-restriction volumes, personal vehicle trips have been slower to rebound and pedestrian trips are still significantly lower.

El Paso conditions since the beginning of the pandemic (March 2020) include an increase in retail sales tax after an initial drop (not an accurate indicator for cross-border retail). Employment in economic sectors that rely on visitation dropped significantly (2019 to 2020): Retail trade (5.7%), Arts/Rec/Entertainment (22.3%), Hotel/Restaurants (14.7%), versus overall economy drop of 3%.

### Climate change and environmental responsibility is important to El Paso

Sustainability, beneficial environmental outcomes, and creating healthy places are important goals for the city of El Paso. In fact, the community raised these issues during public engagement as principal concerns. This plan builds in previous work in this direction, including the Bike Plan (2016), Parks and Recreation Plan (2014, guiding principles), Street Design Manual (2021, design principles), Livable City Sustainability Plan (2008), and Resilience Strategy ([2018 with 100 Resilient Cities](#)). Appropriately, 2018 Resilience Strategy goals include expanding housing options, funding to fill the gaps for private development, implementing infrastructure projects with multiple co-benefits, and supporting El Paso’s workforce to reduce the outmigration of graduates from UTEP and other institutions. The DT+UT plan goals emulate and reinforce these objectives. The results of an urban heat study ([Heat Watch, map](#)), conducted by the City in 2021 revealed that the most heat stressed areas in the city center were along wide streets without sufficient street tree shading and/or near undeveloped surface parking lots. This plan intends to eliminate those conditions.



## IMPACTFUL TRENDS

Sustainability is a cross-cutting theme in the DT+UT plan that touches on each of the topics covered in the framework and recommendations. As an urban plan, the sustainability goals are focused on enabling compact, energy efficient, walkable, and connected neighborhoods with land use patterns and public transit options to reduce the need for private automobile use and the related negative externalities like air pollution. Furthermore, the public realm improvement recommendations are focused on increasing the amount of street trees and public parks that will contribute to meeting the City’s sustainability goals.

### Equity and inclusion should represent factors in shaping every place-based and policy-based strategy going forward

As described in the Historic Context section of this introduction, the city center has been underinvested compared to other parts of El Paso. The City’s municipal-wide Analysis of Impediments to Fair Housing Choice (2020) report included an analysis of the city center’s demographics and market conditions that may impede housing choice for El Paso residents.

The primary finding is that El Paso needs more affordable housing. The report found that almost half of renters and one-third of homeowners are cost burdened by paying more than 30% of their household income in rent or mortgage while residents are also 1.5 times more likely to live in overcrowded and severely overcrowded conditions compared to the rest of the country. Furthermore, the lack of affordable housing has a disparate impact on Hispanics because the median household income in Hispanic households is 35% less than non-Hispanic White households.

The Fair Housing Choice report also found that there is a financial gap that is preventing naturally-occurring affordable housing from being built, which is addressed in the Implementation section of this plan. During the planning process the community repeatedly reinforced that this plan must address equity and inclusion when prioritizing actions.

