



Proposed Tax Increment Reinvestment Zone #14

Economic & International Development
August 3, 2021

Goal 1: Create an Environment Conducive to Strong, Sustainable Economic Development.

- 1.1 Stabilize and expand El Paso's tax base
 - Activate targeted (re)development





Economic Development Guided by the Strategic Plan

Goal 1. Cultivate an environment conducive to strong, sustainable, economic development

- 1.1 Stabilize and expand El Paso's tax base
 - Activate targeted (re)development (2.0)
 - Airport Development
 - High Priority Corridor Development



TIRZ Strategy → Airport TIRZ

- Expand El Paso's Tax Base
 - Identify areas in need of public infrastructure to encourage private investment → EPIA has 1,600 acres of developable land
 - Enable commercial development to provide relief to the residential tax payer → Airport property is suited only for commercial and industrial development
- Create and Retain Jobs
 - Attract businesses that offer high paying jobs and careers → Airport property is ideally positioned to attract logistics, defense & aerospace, and advanced manufacturing companies



PURPOSE

- TIRZ Overview
- TIRZ Creation Process
- Proposed TIRZ #14
- Next Steps
- Questions

Tax Increment Reinvestment Zones (TIRZ)

Tax Increment Financing (TIF) is a tool that facilitates economic development within a Tax Increment Reinvestment Zone (TIRZ).

Governed by Texas Tax Code, Chapter 311

Cities, alone or in partnership with other taxing units, can use this tool to pay for improvements in a zone so it will attract new development, facilitate investment, and bring excitement and energy to a designated area.

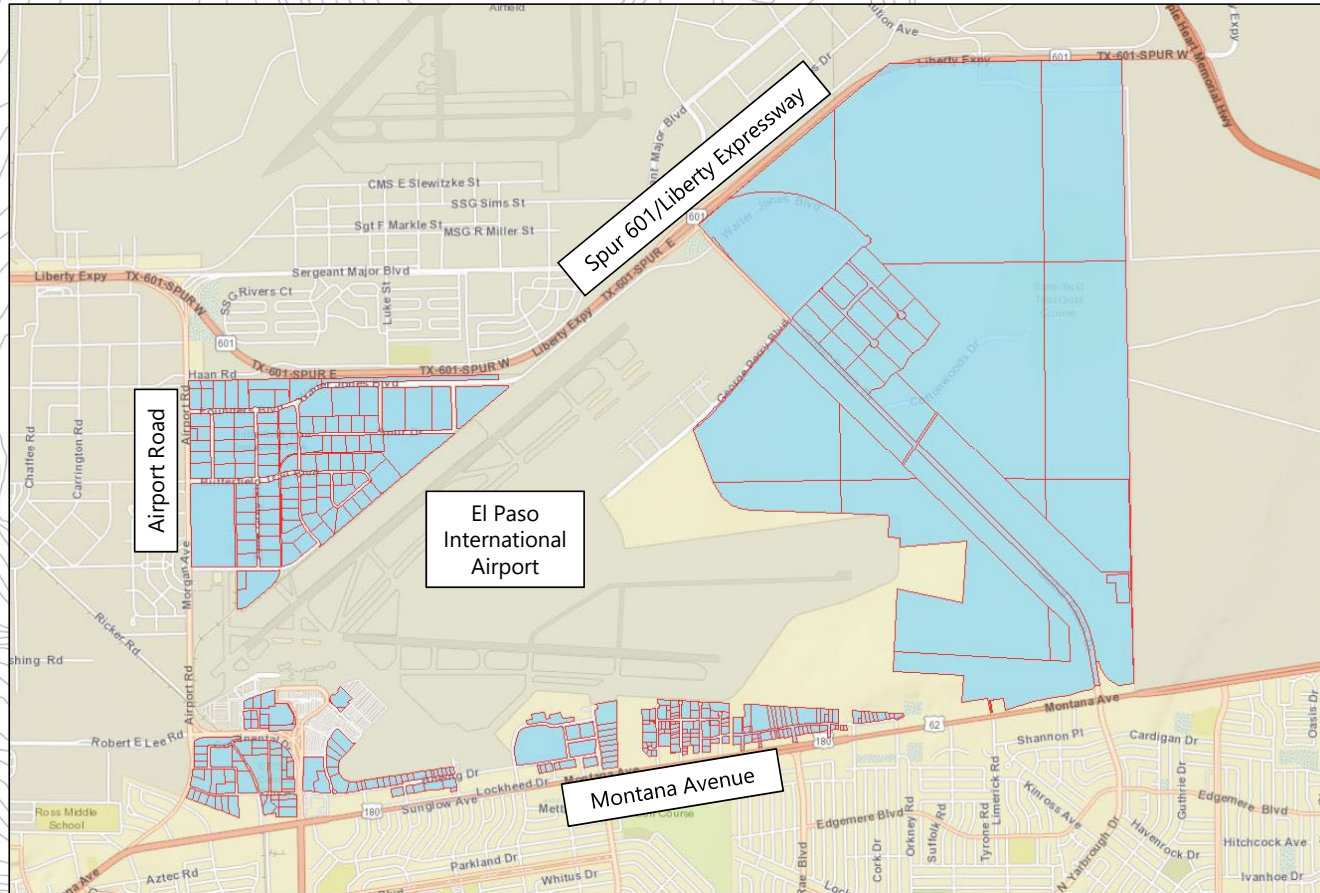
Taxing entities contribute ad valorem taxes received from incremental value increases on property within the TIRZ. Sales tax can also be contributed to a TIRZ. A TIRZ can pay for:

- Cost of public works
- Public improvements
- Economic development programs
- Other projects benefiting the zone

TIRZ CREATION PROCESS

- Chapter 311 outlines the various procedures for creating and amending a TIRZ. Two main documents:
 1. Creation ordinance; and
 2. TIRZ Project and Financing Plan
- Creation ordinance establishes four key elements:
 - Boundary;
 - Term;
 - TIRZ Board; and
 - Preliminary Project and Financing Plan
- Upon TIRZ creation the Final Project and Financing Plan is approved by the TIRZ Board and then the City Council by separate ordinance

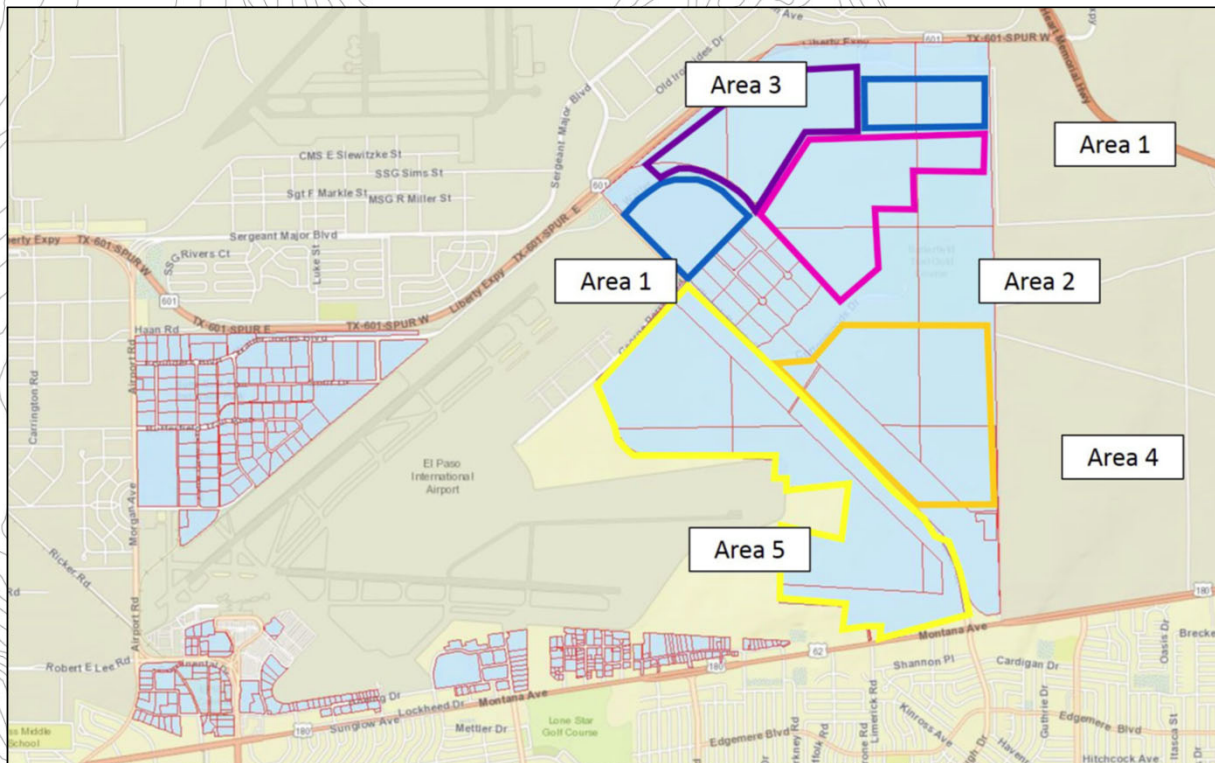
TIRZ #14 - BOUNDARIES



TIRZ #14 - OVERVIEW

- TIRZ #14 consists of approximately 4,048 acres located wholly within the city limits of the City of El Paso. The TIRZ is located adjacent to the El Paso International Airport, approximately four miles northeast of downtown El Paso.
- The TIRZ has a **35-year term** and is scheduled to end on December 31, 2056 (with the final year's tax increment to be collected by September 1, 2057).
- The City of El Paso will contribute **50% of the real property increment** within the zone generated from the Maintenance and Operations portion of the City tax rate.
- The purpose of the TIRZ is to encourage private development that will yield additional tax revenue to all taxing jurisdictions.

TIRZ #14 – PROPOSED DEVELOPMENT



For the purposes of the projections, DPED divided the TIRZ into five areas of future development, but these areas are not meant to limit potential development that could generate revenue for the TIRZ.

TIRZ #14 – PROPOSED DEVELOPMENT

- Given the adjacency to the airport, current zoning, and market demand, industrial, office, and commercial uses are projected.

	Square Feet/Units	Projected Completion Date	Stabilization Year	Taxable Value PSF/Unit	Incremental Value
AREA 1					
LIGHT INDUSTRIAL	480,480	2023	2025	\$35	\$16,816,800
LIGHT INDUSTRIAL	65,560	2023	2025	\$35	\$2,294,600
LIGHT INDUSTRIAL	524,160	2025	2027	\$35	\$18,345,600
LIGHT INDUSTRIAL	199,680	2025	2027	\$35	\$6,988,800
COMMERCIAL	75,000	2025	2027	\$175	\$13,125,000
LIGHT INDUSTRIAL	524,160	2027	2029	\$35	\$18,345,600
OFFICE	150,000	2027	2029	\$200	\$30,000,000
LIGHT INDUSTRIAL	582,400	2027	2029	\$35	\$20,384,000
LIGHT INDUSTRIAL	582,400	2029	2031	\$35	\$20,384,000
	3,183,840				\$146,684,400
AREA 2					
LIGHT INDUSTRIAL	800,000	2025	2035	\$35	\$28,000,000
LIGHT INDUSTRIAL	225,000	2025	2027	\$35	\$7,875,000
LIGHT INDUSTRIAL	100,000	2027	2029	\$35	\$3,500,000
LIGHT INDUSTRIAL	275,000	2027	2029	\$35	\$9,625,000
LIGHT INDUSTRIAL	225,000	2029	2031	\$35	\$7,875,000
LIGHT INDUSTRIAL	125,000	2029	2031	\$35	\$4,375,000
LIGHT INDUSTRIAL	950,000	2031	2033	\$35	\$33,250,000
LIGHT INDUSTRIAL	150,000	2031	2033	\$35	\$5,250,000
LIGHT INDUSTRIAL	450,000	2033	2035	\$35	\$15,750,000
LIGHT INDUSTRIAL	325,000	2033	2035	\$35	\$11,375,000
	3,625,000				\$126,875,000
AREA 3					
LIGHT INDUSTRIAL	250,000	2023	2025	\$35	\$8,750,000
LIGHT INDUSTRIAL	75,000	2023	2025	\$35	\$2,625,000
OFFICE	50,000	2025	2027	\$200	\$10,000,000
LIGHT INDUSTRIAL	350,000	2025	2027	\$35	\$12,250,000
LIGHT INDUSTRIAL	100,000	2025	2027	\$35	\$3,500,000
LIGHT INDUSTRIAL	75,000	2027	2029	\$35	\$2,625,000
COMMERCIAL	100,000	2027	2029	\$175	\$17,500,000
LIGHT INDUSTRIAL	800,000	2029	2031	\$35	\$28,000,000
LIGHT INDUSTRIAL	75,000	2029	2031	\$35	\$2,625,000
LIGHT INDUSTRIAL	75,000	2031	2033	\$35	\$2,625,000
LIGHT INDUSTRIAL	250,000	2031	2033	\$35	\$8,750,000
LIGHT INDUSTRIAL	350,000	2031	2033	\$35	\$12,250,000
	2,550,000				\$111,500,000



PROPOSED TIRZ #14

TIRZ #14 – PROPOSED DEVELOPMENT

- Given the adjacency to the airport, current zoning, and market demand, industrial, office, and commercial uses are projected.

	Square Feet/Units	Projected Completion Date	Stabilization Year	Taxable Value PSF/Unit	Incremental Value
AREA 4					
COMMERCIAL	100,000	2024	2026	\$175	\$17,500,000
OFFICE	75,000	2026	2028	\$200	\$15,000,000
LIGHT INDUSTRIAL	850,000	2033	2035	\$35	\$29,750,000
LIGHT INDUSTRIAL	175,000	2033	2035	\$35	\$6,125,000
OFFICE	125,000	2033	2035	\$200	\$25,000,000
LIGHT INDUSTRIAL	500,000	2035	2037	\$35	\$17,500,000
LIGHT INDUSTRIAL	1,000,000	2035	2037	\$35	\$35,000,000
LIGHT INDUSTRIAL	1,000,000	2037	2039	\$35	\$35,000,000
LIGHT INDUSTRIAL	500,000	2037	2039	\$35	\$17,500,000
LIGHT INDUSTRIAL	1,000,000	2039	2041	\$35	\$35,000,000
	5,325,000				\$233,375,000
AREA 5					
PROJECT TOLLWAY	2,045,848	2022	2024	\$0	\$0
LIGHT INDUSTRIAL	250,000	2024	2026	\$35	\$8,750,000
LIGHT INDUSTRIAL	75,000	2024	2026	\$35	\$2,625,000
COMMERCIAL	75,000	2024	2026	\$175	\$13,125,000
LIGHT INDUSTRIAL	500,000	2026	2028	\$35	\$17,500,000
LIGHT INDUSTRIAL	350,000	2028	2030	\$35	\$12,250,000
LIGHT INDUSTRIAL	450,000	2030	2032	\$35	\$15,750,000
COMMERCIAL	200,000	2030	2032	\$175	\$35,000,000
LIGHT INDUSTRIAL	250,000	2032	2034	\$35	\$8,750,000
LIGHT INDUSTRIAL	500,000	2034	2036	\$35	\$17,500,000
	4,695,848				\$131,250,000
TOTAL	19,379,688				\$749,684,400



PROPOSED TIRZ #14

TIRZ #14 – PROPOSED PROJECT COSTS

Proposed Project Costs		
Water Facilities and Improvements	\$ 6,667,588	7.5%
Sanitary Sewer Facilities and Improvements	\$ 8,890,118	10.0%
Storm Water Facilities and Improvements	\$ 8,890,118	10.0%
Transit/Parking Improvements	\$ 13,335,177	15.0%
Street and Intersection Improvements	\$ 31,115,413	35.0%
Economic Development Grants	\$ 17,780,236	20.0%
Administrative Costs	\$ 2,222,529	2.5%
	\$ 88,901,179	100.0%

- The costs illustrated in the table above are estimates and may be revised.
- Savings from one line item may be applied to cost increase in another line item.
- It is anticipated that the individual TIRZ project cost allocations will be evaluated on a case by case basis, consistent with the categories listed above, and brought forward to the TIRZ board and City Council for consideration.

TIRZ #14 – NET BENEFIT

Taxing Jurisdictions	Total Taxes Generated	Participation	Total Net Benefit
City of El Paso	\$422,951,284	\$88,901,179	\$334,050,104
El Paso County	\$179,290,064	\$0	\$179,290,064
EPCC	\$51,279,106	\$0	\$51,279,106
University Medical	\$98,169,062	\$0	\$98,169,062
El Paso I.S.D.	\$483,371,178	\$0	\$483,371,178
Total	\$1,235,060,694	\$88,901,179	\$1,146,159,514

NEXT STEPS

- City Council Consider Creation Ordinance
- Creation ordinance establishes five key elements:
 - Boundary;
 - Term;
 - TIF Board;
 - City Participation; and
 - Preliminary Project and Financing Plan
- Upon TIRZ creation the Final Project and Financing Plan is approved by the TIRZ Board and then the City Council by separate ordinance

Questions



Mission

Deliver exceptional services to support a high quality of life and place for our community



Vision

Develop a vibrant regional economy, safe and beautiful neighborhoods and exceptional recreational, cultural and educational opportunities powered by a high performing government



Values

Integrity, Respect, Excellence, Accountability, People