



La Popular

TIRZ #5 Funding Request in support of a Downtown
Multifamily Project at a Historic Building

Background: Project Site

Popular Dry Goods Co.

- 301 San Antonio
- Built in 1914, designed by Trost & Trost
- On National Historic Register
 - Historic Tax Credit eligible
- Most recently home to Fallas Paredes



Background:

Proposed Development

Historic rehabilitation and adaptive reuse for Mixed-use Development

- \$35M Minimum Investment - \$50M Project Cost
- 99 multifamily residential units
 - 15% moderately affordable
 - Mix of unit types
- Ground floor retail space
- 65-space parking garage



Background:

Downtown Housing Incentive Pilot

- **Housing Market Need**
 - Identified demand for up to 10,000 new units by 2040; 3,400 affordable
 - Current financial feasibility gap for new housing projects
- **Targeted Approach**
 - 15-20% City Participation in line with previous priority developments
 - \$8M earmarked for housing project assistance via Impact Fund
- **Incentive Structure**
 - Up to \$10,000 - Development and Building Fee Rebate
 - Up to \$100,000 - Construction Materials Sales Tax (1%) Rebate
 - 10-year, 100% Incremental Property Tax
 - 10-year, 0% Development Note (forgivable with affordability component)

Background:

Approved Incentive

TIRZ #5 Property Tax Rebate
(100% for 10 years)
\$2,400,000

**Impact Fund
Development Note**
(0% for 10 years)
\$4,000,000

**1% Sales Tax on
Construction
Materials**
(one-time at 100%)
\$210,000

**Building Permit
Fee Waiver**
(one-time)
\$10,000

**County Property
Tax Rebate**
(90% for 10 years)
\$726,880

Total Local Incentive = \$7.35M

(21% of minimum investment)

Incremental Rebate Structure



La Popular:

New Tax Benefit (over 10 years)



Total Local Tax Benefit = \$6.2M*

**Excludes City Sales Tax*

La Popular: Developer Request

\$1M allocation toward the Exterior Improvement Grants Program for La Popular to be used in a manner consistent with the established program guidelines. This is an above and beyond request in consideration of the size of the project investment, importance of new residential uses to the Downtown area, and unique restoration needs. Funding will be administered in partnership with the Downtown Management District.

Commercial Façade Improvement Grant Program

- Joint program with the Downtown Management District (DMD) and Tax Increment Reinvestment Zone No. 5 (TIRZ)
- Supports improvements to the exterior of buildings within the eligible areas of Downtown El Paso
- Provides matching grant funds on a reimbursement basis for approved eligible exterior renovation improvements
 - Façade, lighting, signage, utility upgrades
 - Maximum grant available is typically \$30,000 per category

Commercial Façade Improvement Grant Process

- Application
 - Submission
 - Preliminary Review
 - Economic & Residential Development Review Committee
- Reimbursement Grant Agreement
- Final Field Inspection
- Reimbursement Requests and Payment
- 3-year maintenance requirement

TIRZ #5 Fund

Balance and Projections

	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED
Tax Increment Revenue	\$1,161,844	\$1,174,624	\$1,187,545	\$1,200,608	\$1,213,814
Expenditures					
Administrative Expenses	65,000	65,000	65,000	65,000	65,000
Border Community Capital RLF	250,000	250,000	250,000	250,000	
Pioneer Plaza & Promenades	210,526	210,526	210,526	210,526	210,526
DMD Façade Program	150,000	150,000	150,000	150,000	150,000
DMD Special Event Permits	20,000	20,000	20,000	20,000	20,000
Deck Plaza Match - 89th Session Rid	561,001				
Deck Plaza Match - FY26 CPF	300,000				
La Popular Grant	1,000,000				
Total Expenditures	2,556,527	695,526	695,526	695,526	445,526
Net Change in Fund Balance	-1,394,684	479,098	492,018	505,081	768,288
Beginning Fund Balance	3,136,347	1,741,663	2,220,761	2,712,779	3,217,860
Ending Fund Balance	\$1,741,663	\$2,220,761	\$2,712,779	\$3,217,860	\$3,986,149

Available Fund Balance
(as of June 30, 2026)

\$2,749,524

TIRZ #5 Fund

Previous Projects

- \$100,000 for Civic Space at Cavalryman Pocket Park.
- \$263,000 allocated to Father Rahm street improvements
- \$4,000,000 for the Sun City Lights Paseo de las Luces project
- \$2,695,000 for the Pioneer Plaza and Promenades project
- \$15,000.00 to update Downtown area wayfinding kiosk maps
- \$300,000.00 for Henry Trost pedestrian improvements
- \$980,000.00 for Downtown Street Tree Plan implementation
- \$150,000.00 towards a Downtown capital needs assessment
- \$1,500,000 to establish a Downtown Revolving Loan Program
- \$861,001 Committed as local match for Deck Plaza grant applications

Recommendation

The Tax Increment Reinvestment Zone #5 Board recommended approval of the allocation and use at the April 29, 2026 meeting.

Action

- Resolution to add section in DMD Interlocal agreement allowing task order requests under the façade grant program. Additional funding would still require Council approval.
- Approve Grant Program Task Order and allocation of up to \$1M from the TIRZ #5 Fund to support improvements to La Popular

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, **R**espect, **E**xcellence,
Accountability, **P**eople