



Tax Increment Reinvestment Zone 14 Final Project Plan and Financing Plan

Economic & International Development

October 26, 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



Requested Council Action

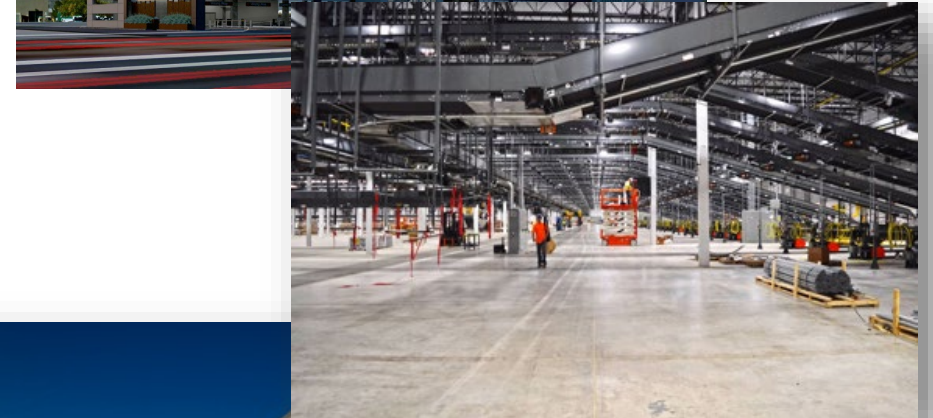
Approval of an ordinance:

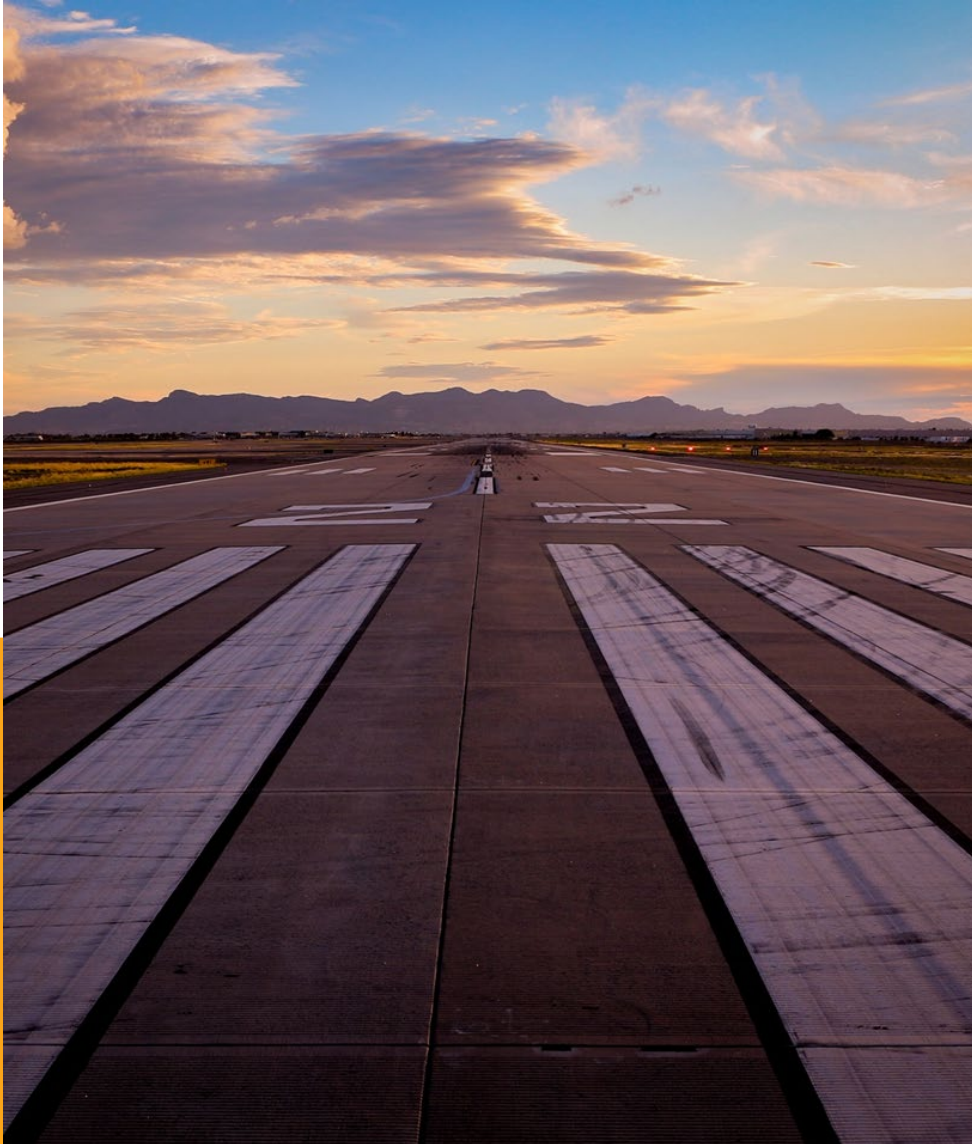
- ❖ Approving a project and financing plan for **Tax Increment Reinvestment Zone Number Fourteen**, City of El Paso, Texas;
- ❖ Making various findings related to such plan;
- ❖ Providing for severability; and
- ❖ Providing an effective date.



Presentation Overview

- ❖ Strategic Plan Alignment
- ❖ Airport Development + Opportunities
- ❖ Economic Development Tools + Impact
- ❖ Tax Increment Reinvestment Zone Strategy
- ❖ TIRZ Creation Process
- ❖ TIRZ 14 Airport Overview
 - ❖ TIRZ 14 Basics
 - ❖ TIRZ 14 Projections + Plan





Strategic Goal 1

Cultivate an Environment
Conducive to **Strong,
Sustainable Economic
Development**

- ❖ 1.1: Stabilize and expand El Paso's tax base
- ❖ 1.4: Grow the core business of air transportation and expand airport development



1.1 Stabilize And Expand El Paso's Tax Base

Activate targeted (re)development:

- ❖ **Airport Development**
- ❖ 25 by 2025 Visionary Objective
- ❖ Aligned with regional plan to promote key industry clusters



1.4 Grow the Core Business Of **Air Transportation** and Expand **Airport Development**

The El Paso International Airport is an economic development powerhouse

- ❖ 1,700 acres of developable land
- ❖ Leasing + expansion opportunities
- ❖ Free Trade Zone
- ❖ Gateway for Fort Bliss and White Sands Missile Range



Destination 2030 – Airport’s Focus for the Future



Non-Aeronautical Revenue Development

- ❖ Business Districts
- ❖ Land Development Master Plan
- ❖ Partnership with Fort Bliss
- ❖ Grant Opportunities
 - ❖ Infrastructure Network Expansion
 - ❖ Innovation-Based Small Business
 - ❖ Advanced Manufacturing and Design Centers



Airport Development in FY21



Marmaxx Regional Distribution Center

- ❖ \$150 million investment, 950 jobs
- ❖ 200 acres

UPS Expansion

- ❖ 124K SF of additional ramp space

FedEx Expansion

- ❖ 10K SF of additional operating space

Million Air FBO

- ❖ 10,000 SF
- ❖ VIP, lobby, exec Lounge and conf. room

Region 19 Headquarters

- ❖ 50K SF of meeting/exhibit space
- ❖ 650 parking spaces

Airport Development



Airport Impact

Airport Operations:

- ❖ 41 businesses
- ❖ ≈ 3,000 employees



Non-Aviation Tenants:

- ❖ 150 agreements
- ❖ ≈ 500 businesses

Aviation Development

- ❖ 14 non-stop destinations
- ❖ Averaging 47 daily departures from 7 airlines
- ❖ 3.5 million in total passenger traffic (2019)
- ❖ 23 new flights since 2015
- ❖ 2 Fixed Based Operators
- ❖ New market growth opportunities



Planned Advanced Manufacturing Campus

City + El Paso Makes

- ❖ 250-acre area dedicated to co-locate aerospace and defense manufacturing activity
- ❖ 200-acre master planned campus
- ❖ 50,000 square foot existing cargo facility focused on supporting start-ups or small manufacturers
- ❖ Increases competitiveness of local business and retains local talent



Proposed Campus Rendering



Economic Development Toolkit

Local Programs

- ❖ **TIRZ/TIF**
- ❖ Chapter 380/381
- ❖ Chapter 312
- ❖ Ad Valorem Property Tax Rebate
- ❖ State Sales and Use Tax Rebate
- ❖ Permit Assistance
- ❖ One-Stop-Shop
- ❖ Workforce Solutions Borderplex

State Programs

- ❖ Texas Enterprise Fund
- ❖ Texas Workforce Commission
- ❖ Texas Enterprise Zone Program Convention Center Hotel Program
- ❖ Chapter 313
- ❖ Historic Tax Credits
- ❖ Texas Economic Development Act
- ❖ Self-Sufficiency Fund
- ❖ Franchise Tax Deduction for Business Relocation
- ❖ Defense Economic Adjustment Assistance Grant Program (DEAAG)
- ❖ Texas Military Value Revolving Loan Fund
- ❖ Texas Product Development & Small Business Incubator Fund (PDSBI)
- ❖ Research & Development Tax Credit
- ❖ Renewable Energy Incentives

Federal Programs

- ❖ Opportunity Zones
- ❖ The Freeport and Goods in Transit Exemptions



Economic Development Agreements: Benefit to Taxing Entities (Over 20 Years)*



Total
\$268,002,000

EPISD	El Paso County	CISD	UMC
\$83,891,000	\$59,355,000 [^]	\$48,100,000	\$26,099,000
EPCC	YISD	SISD	DMD
\$17,135,000	\$14,105,000	\$11,717,000	\$1,200,000

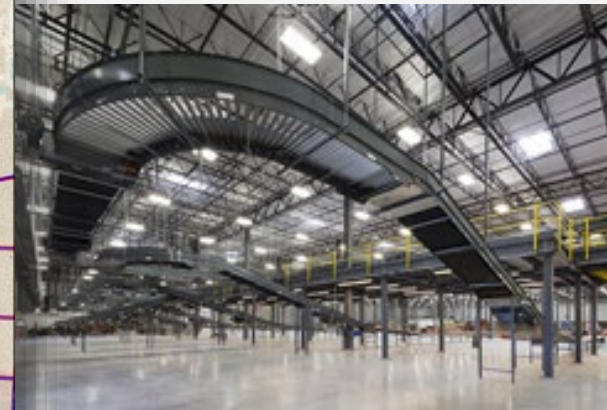
*Amounts listed above are projections and are subject to change

[^]Projected number may be lower due to economic incentives provided by El Paso County

TIRZ Strategy → Airport TIRZ

Expand El Paso's Tax Base + Create and Retain Jobs

- ❖ Fund public infrastructure that creates shovel ready properties → 1,700 acres of developable land
- ❖ Enable development to relieve the residential tax payer → commercial and industrial development
- ❖ Attract high paying jobs and careers → logistics, defense & aerospace, and advanced manufacturing companies



TIRZ Creation Process

1. Creation Ordinance

August 3, 2021 ✓

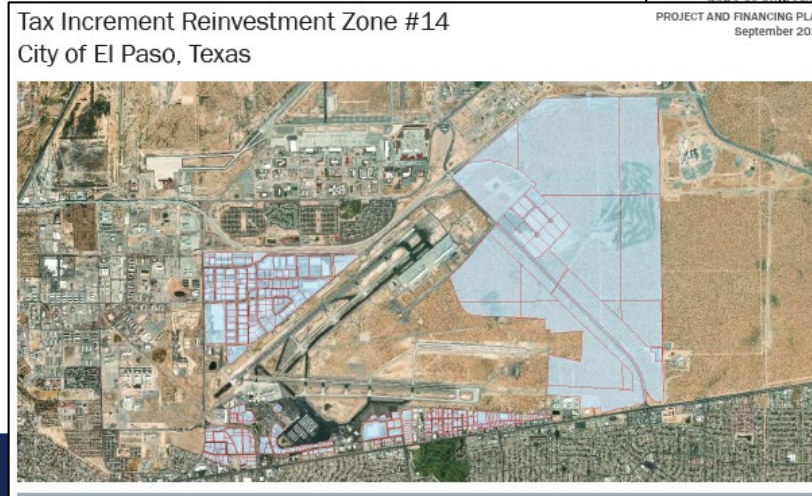
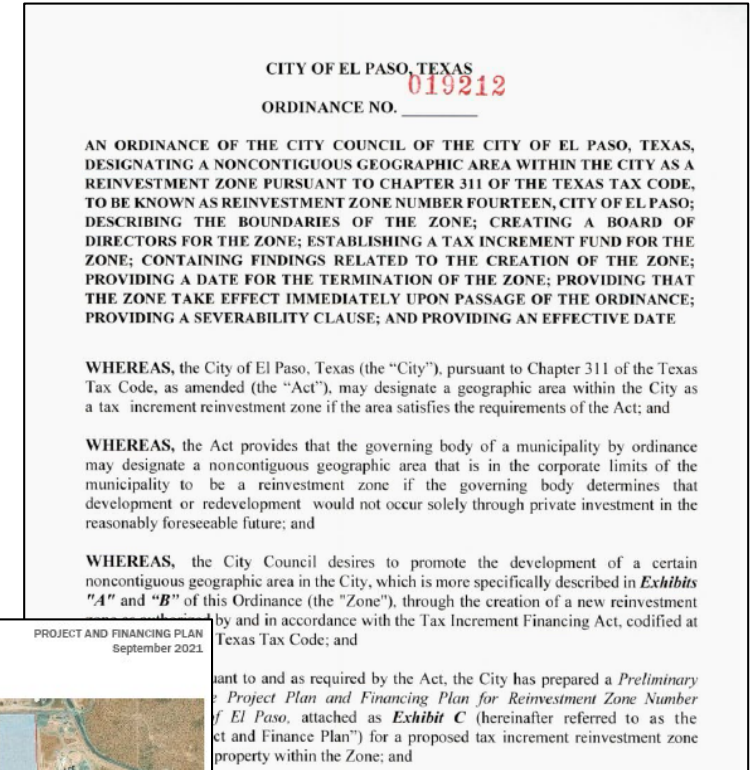
2. Project Plan + Financing Plan

❖ TIRZ Board Approve

October 26, 2021

❖ City Council Approve

October 26, 2021



TIRZ 14 Basics

- ❖ **Created** on August 3, 2021
- ❖ Approximately **4,048 acres**
- ❖ **35-year** term (Dec 31, 2056)
- ❖ City contribution:
 - ❖ **50% of the real property increment** within the zone generated from the Maintenance and Operations portion of the City tax rate
- ❖ Projected development:
 - ❖ **19 million** square feet
 - ❖ **\$739 million** of incremental value



TIRZ 14 Projected Net Benefit*



Taxing Jurisdictions	Total Taxes Generated (\$M)	Participation (\$M)	Total Net Benefit (\$M)
City of El Paso	\$423M	\$89M	\$334M
El Paso County	\$179M	\$0	\$179M
EPCC	\$51M	\$0	\$51M
University Medical	\$98M	\$0	\$98M
El Paso ISD	\$483M	\$0	\$483M
Total	\$1,235M	\$89M	\$1,146M

*Net Benefit over the 35-year term

TIRZ 14 Projected 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%

- ❖ Savings from one line item may be applied to another line item but may never exceed \$88.9 million over the life of the TIRZ without prior Council approval
- ❖ Specific TIRZ projects will be brought forward to the TIRZ Board and City Council for consideration and approval

Next Steps

- ❖ TIRZ Board review and approve the Final Project Plan and Financing Plan

TIRZ Board Meeting October 26, 2021

- ❖ City Council adopt ordinance approving the Final Project Plan and Financing Plan

City Council Meeting October 26, 2021





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