

**CITY OF EL PASO, TEXAS
AGENDA ITEM
DEPARTMENT HEAD'S SUMMARY FORM**

AGENDA DATE: May 23, 2023

PUBLIC HEARING: June 6, 2023

CONTACT PERSON(S) NAME AND PHONE NUMBER: Karina Bragalla, (915) 212-1570; Elizabeth Triggs, (915) 212- 0094

DISTRICT(S) AFFECTED: District 1

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

SUBJECT:

An Ordinance of The City Council of the City of El Paso, Texas, amending Ordinance No. 018749 concerning Tax Increment Reinvestment Zone Number Ten, City of El Paso, Texas, established pursuant to Chapter 311 of the Texas Tax Code, by reducing the boundaries of Tax Increment Reinvestment Zone Number Ten, City of El Paso, Texas.

BACKGROUND / DISCUSSION:

Tax Increment Reinvestment Zone Number 10 (TIRZ 10) was created on December 19, 2017 and expanded on May 29, 2018.

This ordinance would remove approximately 3,874 acres of land from TIRZ 10, as the zone is no longer need to fund the construction of needed public infrastructure, including stormwater drainage improvements.

Section 311.007(a) of the Texas Tax Code allows the governing body of municipalities to reduce the boundaries of an existing reinvestment zone. All project costs and obligations of the Zone have been paid and no bonds have been issued for the Zone thus far.

PRIOR COUNCIL ACTION:

On December 19, 2017, City Council approved Ordinance No. 018749, creating Tax Increment Reinvestment Zone Number Ten.

On May 29, 2018, City Council approved Ordinance No. 018791, expanding the boundary of Reinvestment Zone Number Ten.

AMOUNT AND SOURCE OF FUNDING:

N/A

*****REQUIRED AUTHORIZATION*****

DEPARTMENT HEAD:



(If Department Head Summary Form is initiated by Purchasing, client department should sign also)

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF EL PASO, TEXAS, AMENDING ORDINANCE NO. 018749 CONCERNING TAX INCREMENT REINVESTMENT ZONE NUMBER TEN, CITY OF EL PASO, TEXAS, ESTABLISHED PURSUANT TO CHAPTER 311 OF THE TEXAS TAX CODE, BY REDUCING THE BOUNDARIES OF TAX INCREMENT REINVESTMENT ZONE NUMBER TEN, CITY OF EL PASO, TEXAS.

WHEREAS, the City of El Paso, Texas (the "City"), pursuant to Chapter 311 of the Texas Tax Code, as amended (the "Act"), may designate a geographic area within the City as a tax increment reinvestment zone if the area satisfies the requirements of the Act; and

WHEREAS, on December 19, 2017, the City Council of the City of El Paso, Texas, pursuant to Chapter 311 of the Texas Tax Code, approved Ordinance No. 018749, designating a noncontiguous geographic area within the City as a Reinvestment Zone Number Ten, City of El Paso, Texas (the "Zone"); and

WHEREAS, on May 29, 2018, the City Council of the City of El Paso, Texas, approved Ordinance No. 018791, expanding the boundary of Reinvestment Zone Number Ten; and

WHEREAS, Section 311.007(a) of the Texas Tax Code, in pertinent part provides, "Subject to the limitations provided by Section 311.006, if applicable, the boundaries of an existing reinvestment zone may be reduced or enlarged by ordinance or resolution of the governing body of the municipality or by order or resolution of the governing body of the county that created the zone.;" and

WHEREAS, the zone is no longer need to fund the construction of needed public infrastructure, including stormwater drainage improvements as other funding sources have been identified; and

WHEREAS, all project costs and obligations of the Zone have been paid; and

WHEREAS, no bonds have been issued for the Zone thus far; and

WHEREAS, the City Council of the City of El Paso, Texas, now desires to amend Reinvestment Zone Number Ten, City of El Paso, Texas, to remove approximately 3,874 acres of land from the existing approximately 3,922-acre Reinvestment Zone Number Ten; and

WHEREAS, upon approval of this Ordinance, Reinvestment Zone Number Ten, City of El Paso, Texas, will consist of approximately 48 acres of noncontiguous land, as described and depicted in Exhibit A of this Ordinance, a copy of which is attached hereto and is incorporated herein for all purposes; and

WHEREAS, Section 311.011(e) of the Texas Tax Code, in pertinent part provides, "[I]f an amendment reduces or increases the geographic area of the zone, increases the amount of bonded indebtedness to be incurred, increases or decreases the percentage of a tax increment to be contributed by a taxing unit, increases the total estimated project costs, or designates additional

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property in the zone to be acquired by the municipality or county, the approval must be by ordinance or order, as applicable, adopted after a public hearing that satisfies the procedural requirements of Sections 311.003(c) and (d);" and

WHEREAS, notice of the public hearing on the reduction of the proposed zone was published in a newspaper having general circulation in the City on May 29, 2023, which date is before the seventh (7th) day before the public hearing held on June 6, 2023; and

WHEREAS, at the public hearing on June 6, 2023, interested persons were allowed to speak for or against the reduction of the Zone, the reduced boundaries of the Zone, and the concept of tax increment financing, and owners of property in the proposed Zone were given a reasonable opportunity to protest the inclusion of their property in the Zone; the public hearing was held in full accordance with Section 311.003(c) of the Act; and

WHEREAS, evidence was received and presented at the public hearing on June 6, 2023, and in favor of the reduction of the Zone; and

WHEREAS, after all comments and evidence, both written and oral, were received by the City Council, the public hearing was closed on June 6, 2023; and

WHEREAS, the City has taken all actions required to reduce the Zone including, but not limited to, all actions required by the home-rule Charter of the City, the Act, the Texas Open Meetings Act (defined herein), and all other laws applicable to the creation of the Zone; and

WHEREAS, the percentage of the property in the proposed zone, excluding property that is public owned, that is used for residential purposes is less than thirty percent; and

WHEREAS, the Preliminary Project and Finance Plan which was prepared in support of the Zone created by Ordinance 018749 will be re-enacted for the proposed reduced reinvestment zone.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF EL PASO, TEXAS, THAT:

SECTION 1. RECITALS INCORPORATED.

The facts and recitations contained in the preamble of this Ordinance are hereby found and declared to be true and correct.

SECTION 2. FINDINGS.

That the City Council, after conducting the above described hearing and having heard the evidence and testimony presented at the hearing, has made the following findings and determined based on the evidence and testimony presented to it:

- (a) That the public hearing on the reduction of the reinvestment zone has been properly called, held, and conducted and that notice of such hearing has been published as required by law; and

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- (b) That the reduction of the reinvestment zone with boundaries as described and depicted in Exhibit "A" will result in benefits to the City, its residents and property owners, in general, and to the property, residents, and property owners in the resulting, revised reinvestment zone; and
- (c) That the revised reinvestment zone, as defined in Exhibits "A" and "B" meets the criteria for the creation of a reinvestment zone set forth in the Act in that:
 - 1. It is a geographic area located wholly within the City limits of the City; and
 - 2. That the City Council further find and declares that the proposed zone meets the criteria and requirements of Section 311.005 of the Texas Tax Code because the proposed zone is predominantly open and, because of obsolete platting, deterioration of structure or site improvements or other factors, substantially impair or arrest the sound growth of the City or county.
- (d) That 30 percent or less of the property in the revised reinvestment zone excluding property dedicated to public use, is currently used for residential purpose; and
- (e) That the total appraised value of all taxable real property in the revised reinvestment zone according to the most recent appraisal rolls of the City, together with the total appraised value of taxable real property in all other existing reinvestment zones within the City, according to the most recent appraisal roll of the City, does not exceed 25 percent of the current total appraised value of taxable real property in the City and in the industrial districts created by the City, if any; and
- (f) That the improvements in the revised reinvestment zone will significantly enhance the value of all taxable real property in the revised reinvestment zone and will be of general benefit to the City or county; and
- (g) That the development or redevelopment of the property in the revised reinvestment zone will not occur solely through private investment in the reasonable foreseeable future.

SECTION 3. DURATION OF THE ZONE.

That the reduced Zone shall take effect immediately upon the passage and approval of this Ordinance consistent with Section 311.004(a)(3) of the Act and termination of the Zone shall occur upon any of the following: (i) on December 31, 2048; (ii) at an earlier time designated by subsequent ordinance; (iii) at such time, subsequent to the issuance of tax increment bonds, if any that all project costs, tax increment bonds, notes and the obligations of the Zone and the interest thereon, have been paid in full in accordance with Section 311.017 of the Act.

SECTION 4. TAX INCREMENT BASE AND TAX INCREMENT.

That the Tax Increment Base for the original boundaries of the TIRZ, established via Ordinance 018749, is the total appraised value of all real property taxable by the City and located in the TIRZ determined as of January 1, 2017, when the TIRZ was originally designated.

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That a tax increment fund for the Zone (the "TIF Fund") was established via Ordinance 018749. The TIF Fund may be divided into additional accounts and sub-accounts authorized by resolution or ordinance of the City Council.

The TIF Fund consists of the percentage of the tax increment, as defined by Section 311.012(a), Texas Tax Code, that each taxing unit which levies real property taxes in the Zone has elected to dedicate to the TIF Fund under an agreement with the City authorized by Section 311.01.3(f), Texas Tax Code. The TIF Fund shall be maintained in an account at the depository bank of the City and shall be secured in the manner prescribed by law for Texas cities. In addition, all revenues from (i) the sale of any obligations hereafter issued by the City and secured in whole or in part from the tax increments; (ii) the sale of any property acquired as part of a tax increment financing plan adopted by the Board; and (iii) other revenues dedicated to and used in the Zone shall be deposited into the TIF Fund. Prior to the termination of the Zone, money shall be disbursed from the Tax Increment Fund only to pay project costs, as defined by the Texas Tax Code, for the Zone, to satisfy the claims of holders of tax increments bonds or notes issued for the Zone, or to pay obligations incurred pursuant to agreements entered into to implement the project plan and reinvestment zone financing plan and achieve their purpose pursuant to Section 311.010(b), Texas Tax Code.

SECTION 5. TAX INCREMENT FUND.

That Ordinance 018749 created and established a "Tax Increment Fund" for the Zone which may be divided into such subaccounts as may be authorized by subsequent ordinance, into which all tax increments of the City, as such increments are described in the final project plan and reinvestment zone financing plan and may include administration costs, less any of the amounts not required to be paid into the Tax Increment Fund pursuant to the Act, are to be deposited. The Tax Increment Fund and any subaccounts are to be maintained in an account at the affiliated depository bank of the City and shall be secured in the manner prescribed by law for funds of Texas cities. In addition, all revenues to be dedicated to and used in the Zone shall be deposited into such fund or subaccount from which money will be disbursed to pay project costs, plus interest, for the Zone.

SECTION 6. SEVERABILITY CLAUSE.

Should any section, subsection, sentence, clause or phrase of this Ordinance be declared unconstitutional or invalid by a court of competent jurisdiction, it is expressly provided that any and all remaining portions of this Ordinance shall remain in full force and effect. The City hereby declares that it would have passed this Ordinance, and each section, subsection, clause or phrase thereof irrespective of the fact that any one or more sections, subsections, sentences, clauses and phrases be declared unconstitutional or invalid.

SECTION 7. OPEN MEETINGS.

It is hereby found, determined, and declared that sufficient written notice of the date, hour, place and subject of the meeting of the City Council at which this Ordinance was adopted was posted at a place convenient and readily accessible at all times to the general public at the City Hall of the

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City for the time required by law preceding its meeting, as required by Chapter 551 of the Texas Government Code, and that this meeting has been open to the public as required by law at all times during which this Ordinance and the subject matter hereof has been discussed, considered and formally acted upon. The City Council further ratifies, approves and confirms such written notice and the contents and posting thereof.

SECTION 8. EFFECTIVE DATE.

This Ordinance shall take effect immediately upon its adoption and publication in accordance with and as provided by law and the City Charter.

ADOPTED this ____ day of _____, 2023.

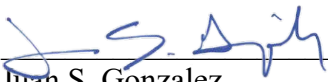
CITY OF EL PASO:

Oscar Leeser
Mayor

ATTEST:


Laura D. Prine
City Clerk

APPROVED AS TO FORM:



Juan S. Gonzalez
Senior Assistant City Attorney

APPROVED AS TO CONTENT:



Elizabeth K. Triggs, Director
Economic & International Development

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EXHIBIT "A"
BOUNDARY DESCRIPTION

Beginning at the point of intersection of the southern (Right-of-Way) ROW line of Paseo del Norte Drive and the eastern ROW line of N Desert Boulevard, thence
South along the eastern ROW line of N Desert Boulevard to a point where said line intersects with the southern property line of 125195 (Legal Description: 1 EL PASO WEST SLY PT OF 1 (1130.63 FT ON S- IRREG ON W-IRREG ON N-678.11 FT ON E) (13.3152 AC)), thence
East along the southern property line of 125195 (Legal Description: 1 EL PASO WEST SLY PT OF 1 (1130.63 FT ON S- IRREG ON W-IRREG ON N-678.11 FT ON E) (13.3152 AC)) to a point where said line intersects with the southern property line of 313987 (Legal Description: 1 EL PASO WEST PT OF 1 BEG 128.49' N OF SWC (684.25' ON NWLY - 1018.96' ON ELY-IRREG ON SLY-1075.89' ON WLY)), thence
East along the southern property line of 313987 (Legal Description: 1 EL PASO WEST PT OF 1 BEG 128.49' N OF SWC (684.25' ON NWLY - 1018.96' ON ELY-IRREG ON SLY-1075.89' ON WLY)) to a point where said line intersects with the western ROW line of Northwestern Drive, thence
North along the western ROW line of Northwestern Drive to a point where said line intersects with the southern ROW line of Paseo del Norte Drive, thence
West along the southern ROW line of Paseo del Norte Drive to a point where said line intersects with the eastern ROW line of N Desert Blvd, which is the point of beginning.
Save and Except: 2017 Property ID 71487 with legal description: 1 EL PASO WEST PT OF 1 BEG 242.30' S OF NEC (335' ON E - 293.20' ON S - IRREG ON W - IRREG ON N)(4.0210 AC)
