



CITY OF EL PASO

Tax Increment Reinvestment Zone #5

Amendments to Creation Ordinance and Project and
Financing Plan

Proposed Changes

- **Adoption of new TIRZ #5 Project and Financing Plan**
- Adjustment of Board eligibility and requirements

Background

- On July 6, 2023, City Council adopted the Downtown, Uptown, and Surrounding Neighborhoods Plan
 - Align TIRZ #5 PFP with those recommendations and strategies
 - Create consistency with other TIRZ Plans across the City

Project and Finance Plan Amendment

- This is a **complete replacement** of the existing plan which was adopted in 2009 and has undergone several amendments
- **DOES NOT** amend:
 - Boundary
 - Term
 - City Participation

**Proposed Amendment to the
Project and Financing Plan for
Tax Increment Reinvestment Zone #5**

City of El Paso, Texas

JANUARY 2024

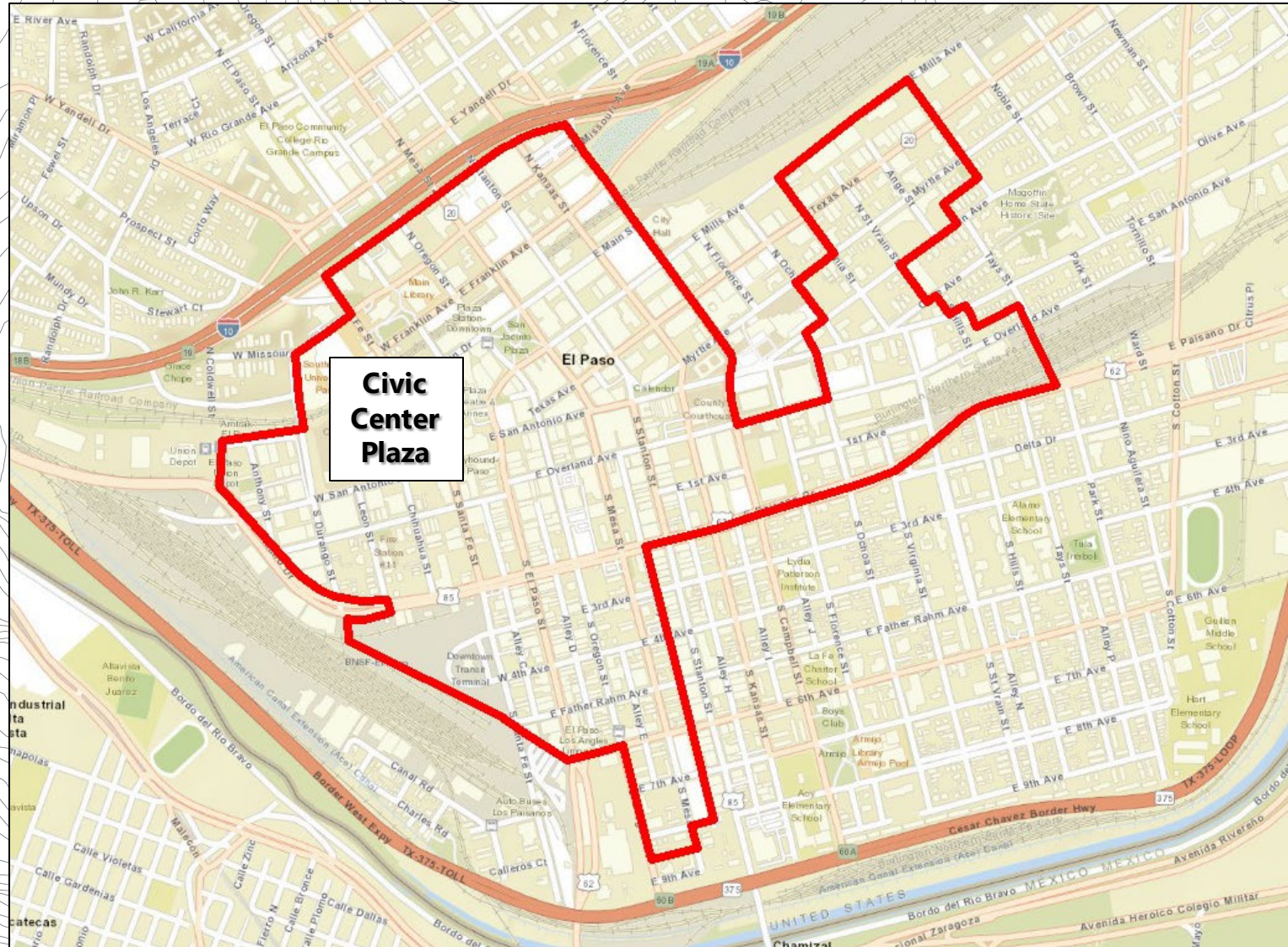


DAVID PETTIT
Economic Development

TIRZ #5 – Background

- **Creation Date:** Created on December 19, 2006 by Ordinance No. 016528
- **Boundary Amendments:** Originally 188.42 acres, the TIRZ was expanded in 2007, 2012, and 2013 to now be approximately 306 acres located wholly within the city limits
- **Termination Date:** December 31, 2036
- **Participation:** City of El Paso contributes 100% real property increment
- **Base Value:** The original boundaries of TIRZ #5 have a 2006 base year. As the TIRZ was expanded, the base years for the expanded areas was the year in which it was added to the TIRZ. **The combined base value is \$209,228,387.**

TIRZ #5 – Boundaries



TIRZ #5 – Development Assumptions



	Square Feet/Units	Projected Completion Date	Taxable Value PSF/Unit	Incremental Value
Multifamily	150	2025	\$150,000	\$22,500,000
Hotel	250	2025	\$125,000	\$31,250,000
Multifamily	290	2026	\$150,000	\$43,500,000
Multifamily	210	2028	\$150,000	\$31,500,000
Multifamily	100	2028	\$150,000	\$15,000,000
Retail	50,000	2028	\$250	\$12,500,000
Multifamily	56	2032	\$150,000	\$8,400,000
Multifamily	70	2032	\$150,000	\$10,500,000
Retail	2,000	2032	\$250	\$500,000
TOTAL				\$175,650,000

It is anticipated that the projections will be updated in the future to reflect the then current market trends and taking into account the future performance of any catalyst development.

TIRZ #5

TIRZ #5 – Participation



Taxing Jurisdictions	Total Taxes Generated*	Participation	Total Net Benefit
City of El Paso	\$58,763,803	\$46,424,698	\$12,339,105
El Paso County	\$28,421,883	\$0	\$28,421,883
EPCC	\$6,402,372	\$0	\$6,402,372
University Medical	\$13,038,006	\$0	\$13,038,006
El Paso ISD	\$62,913,290	\$0	\$62,913,290
Total	\$169,539,354	\$46,424,698	\$123,114,656

The City of El Paso will contribute 100% of the real property increment within the zone generated from the City tax rate.

**Total Taxes Generated includes projected Real Property, Business Personal Property, Sales, and Hotel Occupancy Tax revenue*

TIRZ #5

TIRZ #5 – Proposed Project Costs

Proposed Project Costs - TIRZ #5		
Public Utilities	\$ 13,927,409	30.0%
<i>Water, Sanitary Sewer, and/or Storm Water Facilities and Improvements, Underground Infrastructure Improvements including electric, gas, water, sewer</i>		
Parking and Transit Improvements	\$ 6,963,705	15.0%
Street and Intersection Improvements	\$ 6,963,705	15.0%
Pedestrian Enhancements	\$ 9,284,940	20.0%
<i>Streetscape, lighting, public art, and other amenities that enhance the pedestrian experience</i>		
Open Space, Park and Recreation Facilities and Improvements, Public Facilities and Improvements	\$ 4,178,223	9.0%
Economic Development Grants	\$ 4,642,470	10.0%
Administrative Costs	\$ 464,247	1.0%
Total	\$ 46,424,698	100.0%

- The costs illustrated in the table above are estimates and may be revised.
- Savings from one line item may be applied to a cost increase in another line item.

Proposed Changes

- Adoption of new TIRZ #5 Project and Financing Plan
- **Adjustment of Board eligibility and requirements**

TIRZ #5 Board

- Last revised by Ordinance No. 016528 on March 5, 2019
- Nine members appointed by the Mayor
- Preference given to individuals who possess:
 - a) Experience in at least one of the following areas: arts, real estate, retail, housing, finance, historic preservation, construction, development, or El Paso history;
 - b) Knowledge of downtown El Paso;
 - c) Geographic diversity (through the City of El Paso);
 - d) Cultural diversity;
 - e) Moral and ethical character;
 - f) Integrity;
 - g) High performance standards;
 - h) Availability;
 - i) Strong desire for public service, but not an elected official.

Proposed Amendment

There is hereby created a Board of Directors for the Zone (the "Board"), with all the rights powers and duties as provided by the Act to such Boards or by action of the Council. The Board shall make recommendations to the City Council concerning the administration of the Fund. The Board may adopt a preliminary project plan and reinvestment zone financing plan for the Zone and submit such plans to the City Council for approval. The Board may prepare, implement, and monitor such project plans for the Zone, as the City Council considers advisable.

Board Recommendation

On February 7, 2024 the TIRZ #5 Board made motions:

- That City Council postpone action on the Final Project and Financing Plan until alternative proposals for the Board of Directors have been vetted by City Attorney's Office
- That the Creation Ordinance for TIRZ #5 be modified to require that all actions of the Board of Directors require final approval by City Council

Board reviewed proposed Ordinance at April 10, 2024 Meeting and was in support.

Requested Action

APPROVAL of proposed amendments to the Tax Increment reinvestment Zone Number 5 Final Project and Financing Plan and to the creation ordinance to clarify the advisory role of the Board of Directors.



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