

ORDINANCE NO. 17793

AN ORDINANCE DESIGNATING A CERTAIN NONCONTIGUOUS GEOGRAPHIC AREA IN THE CITY OF EL PASO, TEXAS AS A TAX INCREMENT REINVESTMENT ZONE; DESCRIBING THE BOUNDARIES OF THE ZONE; PROVIDING FOR AN EFFECTIVE DATE AND A TERMINATION DATE FOR THE ZONE; NAMING THE ZONE "REINVESTMENT ZONE NUMBER SIX, CITY OF EL PASO, TEXAS"; CREATING A TAX INCREMENT REINVESTMENT ZONE BOARD OF DIRECTORS; ESTABLISHING A TAX INCREMENT FUND; AND CONTAINING OTHER PROVISIONS RELATED THERETO.

WHEREAS, on June 21, 2011, the City Council (the "Council") of the City of El Paso, Texas ("City") passed and approved Ordinance No. 017589, approving the City-initiated rezoning to Smart Code of certain property within the City under Title 21, El Paso City Code, as fully described in that Ordinance; and

WHEREAS, the City desires to support revitalization activities on a portion of the properties located within the area identified in Ordinance No. 017014, and subsequently amended in Ordinance No. 017592, to be funded in whole or in part through the creation of a Tax Increment Reinvestment Zone (the "Zone"), as hereinafter more specifically defined and named, and with boundaries as hereinafter provided, pursuant to the provisions of the Tax Increment Financing Act, Chapter 311 Texas Tax Code (as amended, the "Act"); and

WHEREAS, the City desires to encourage community revitalization and infrastructure improvements within the proposed Zone area; and

WHEREAS, the proposed public improvements for the area may include construction of streets, sidewalks, drainage, sewer and water utilities, street lights, park development, and other public improvements which may be provided for in one or more development agreements to be considered by the Council at a later date; and

WHEREAS, pursuant to the Act, the City may designate a contiguous or noncontiguous geographic area within the City as a Tax Increment Reinvestment Zone if the area satisfies the requirements of certain sections of the Act; and

WHEREAS, pursuant to Section 311.003(b) of the Act, the City staff has prepared a Preliminary Reinvestment Zone Financing Plan for the Zone attached hereto; and

WHEREAS, notice of public hearing to be held on May 29, 2012, was duly published in the El Paso Times in its issue dated May 20, 2012, in compliance with Section 311.003(c) of the Act; and

CITY CLERK DEPT.
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WHEREAS, a public hearing was held on May 29, 2012 in the City Council Chambers, El Paso City Hall to consider the creation of the Zone and its benefits to the City and to property in the Zone and a reasonable opportunity for (i) all interested person to speak for or against the creation of the Zone, its boundaries or the concept of tax increment financing and (ii) owners of real property in the Zone to protest the inclusion of the property in the Zone, as required by Sections 311.003(c) and (d) of the Act; and

WHEREAS, the Council hereby recognizes that there is no guarantee that the value of property in the Zone will increase, that any increases in value are dependent upon many factors which are not within the City's control, and that there is no guarantee of any tax increment, as that term is defined in the Act; and

WHEREAS, it is hereby officially found and determined that the meeting at which this Ordinance was passed was open to the public, and public notice of the time, place and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code.

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

Section 1.

Findings.

After reviewing all information before it regarding the establishment of the Zone and after conducting a public hearing regarding the creation of the Zone and its benefits to the City and to property in the Zone and affording reasonable opportunity for (i) all interested persons to speak for and against the creation of the Zone, its boundaries or the concept of tax increment financing and (ii) owners of real property in the Zone to protest inclusion of their property in the Zone, the Council hereby makes the following findings of fact:

- 1.1 The statements and facts set forth in the recitals of this Ordinance are true and correct. Therefore, the City has met the notice and procedural requirements set forth in Chapter 311 of the Texas Tax Code for creation of a reinvestment one thereunder.
- 1.2 Development or redevelopment of the property in the Zone as a whole will not occur solely through private investment in the reasonable foreseeable future.
- 1.3 Improvements in the Zone, including, but not limited to those previously outlined to the Council, will significantly enhance the value of all the taxable real property in the Zone and will be of general benefit to the City, its residents and property owners.
- 1.4 The Zone is a noncontiguous geographic area wholly within the corporate limits of the City, as permitted under Section 311.003 of the Act.

- 1.5 Among other things, areas within the Zone include land that substantially arrests and impairs the sound growth of the City and constitutes an economic liability and is a menace to the public health, safety, morals, or welfare in its present condition and use because of the presence of: (i) the predominance of defective or inadequate sidewalk or street layout; (ii) faulty lot layout in relation to size, adequacy, accessibility, or usefulness; and (iii) the deterioration of site or other improvements. Further, certain areas within the Zone are predominately open or undeveloped and, because of obsolete platting, deterioration of structures or site improvements, or other factors, substantially impair or arrest the sound growth of the City. Therefore, the area within the Zone meets the criteria for designation of a reinvestment zone and satisfies the requirements of Section 311.005 of the Act.
- 1.6 According to the most recent appraisal roll of the City, the total appraised value of all taxable real property in the Zone and in existing reinvestment zones in the city does not exceed twenty five percent (25%) of the total appraised value of taxable real property in the City and in industrial districts created by the City, if any.
- 1.7 The Zone does not contain more than fifteen percent (15%) of the total appraised value of real property taxable by any county or school district.
- 1.8 No more than thirty percent (30%) of the property in the Zone, excluding property dedicated to public use, is used for residential purposes (defined as any property occupied by a house having fewer than five living units) and such residential property, if any, does not exceed % of the total appraised value of real property in the City and in industrial districts created by the City, if any.
- 1.9 The area within the Zone is “unproductive, underdeveloped, or blighted” within the meaning of article VIII, section 1-g(b) of the Texas Constitution. In making this finding, the Council considered: (i) the criteria contained in the Act, specifically in Sections 311.005(a)(1) and 31.005(a)(2) of the Act; (ii) that 100% of the area within the Zone is also within the area previously determined to comprise an Empowerment Zone or a state designated Enterprise Zone and the developable areas associated with these designations as shown in **Exhibit “B”**; and (iii) the amount of underutilized properties (49% of the total number of properties) and surface parking lots/vacant sites within the Zone as shown in **Exhibit “C”**.

Section 2. Designation of Zone.

The Council hereby designates the Zone depicted in the map and listed by parcel geographic identification number, both attached hereto as **Exhibit “A”** and made part of this Ordinance for all purposes, as a reinvestment zone pursuant to and in accordance with Chapter 311 of the Texas Tax Code. This reinvestment zone shall be known as “Tax Increment Reinvestment Zone Number Six, City of El Paso, Texas.”

Section 3.

Board of Directors.

A board of directors for the Zone ("Board") is hereby created, with all the rights, powers, duties as provided by the Act to such boards or by action of the Council. Pursuant to Section 311.009 of the Act, the City declares that the Board shall consist of nine (9) members. Each member of the Council shall nominate one member to the Board.

- 3.1 Pursuant to Section 311.009 of the Act, the Council shall appoint one member of the Board to serve as chairman for a term of one year that begins on January 1 of the following year. The Board may elect a vice-chairman to preside in the absence of the chairman, and other offices as it considers appropriate.
- 3.2 All members appointed to the Board must meet the eligibility requirements as set forth in Section 311.009 of the Act.
- 3.3 The term of office for members appointed to the Board shall be two years and a member may be reappointed for up to two additional terms. A member of the Board may serve for up to three consecutive two-year terms. No member of the Board shall serve more than three consecutive two-year terms, provided however that filling an unexpired term shall not be counted toward the two year-term limitation. It is the Council's intention that this Ordinance control over the provisions contained in Section 2.040.050 of the City Code.
- 3.4 The Board shall make recommendations to the Council concerning the administration, management and operation of the Zone. The Board shall prepare and adopt a project plan and a reinvestment financing plan for the Zone and submit such plan to the City for its approval.
- 3.5 Notwithstanding anything to the contrary herein, the Board shall not be authorized to (i) issue bonds; (ii) impose taxes or fees; (iii) exercise the power of eminent domain, or (iv) give final approval to the Zone's project plan or financing plan.

Section 4.

Effective Date and Termination Date of the Zone.

The Zone shall take effect immediately upon the passage of this Ordinance, pursuant to Section 311.004(a)(3) of the Act, and continue until its termination date of December 31, 2042, (the "Termination Date"), unless otherwise terminated earlier as a result of payment in full of all project costs, and the interest accrued on those costs, or as authorized or permitted by law.

Section 5.

Determination of Tax Increment Base.

The tax increment base for the Zone is the total appraised value of all real property taxable by the City and located in the Zone, determined as of January 1, 2012, the year in which the Zone was designated as a Tax Increment Reinvestment Zone (the "Tax Increment Base").

Section 6.

Tax Increment Fund.

There is hereby created and established in the depository bank of the City, a fund to be called the "REINVESTMENT ZONE NUMBER SIX, CITY OF EL PASO, TEXAS TAX INCREMENT FUND" (the "Tax Increment Fund"). Money in the Tax Increment Fund, from whatever source, may be disbursed from the Tax Increment Fund, invested, and paid as permitted by the Act or by any agreements entered into pursuant to the Act, or as otherwise authorized by law.

Section 7.

Severability.

If any provision of this Ordinance or the application thereof to any circumstance shall be held to be invalid, the remainder of this Ordinance and the application thereof to other circumstances shall nevertheless be valid, as if such invalid provision had never appeared herein, and this governing body hereby declared that this Ordinance would have been enacted without such invalid provision.

Section 8.

Effective Date.

This Ordinance shall be in full force and effect upon the date of its passage.

READ, ADOPTED AND APPROVED this 29th day of May, 2012.



CITY OF EL PASO

John F. Cook
John F. Cook
Mayor

ATTEST:

Richarda Duffy Momsen
Richarda Duffy Momsen
City Clerk

CITY CLERK DEPT.
2012 MAY 24 PM 5:24

APPROVED AS TO FORM:

Marie A. Taylor
Marie A. Taylor
Assistant City Attorney

APPROVED AS TO CONTENT:

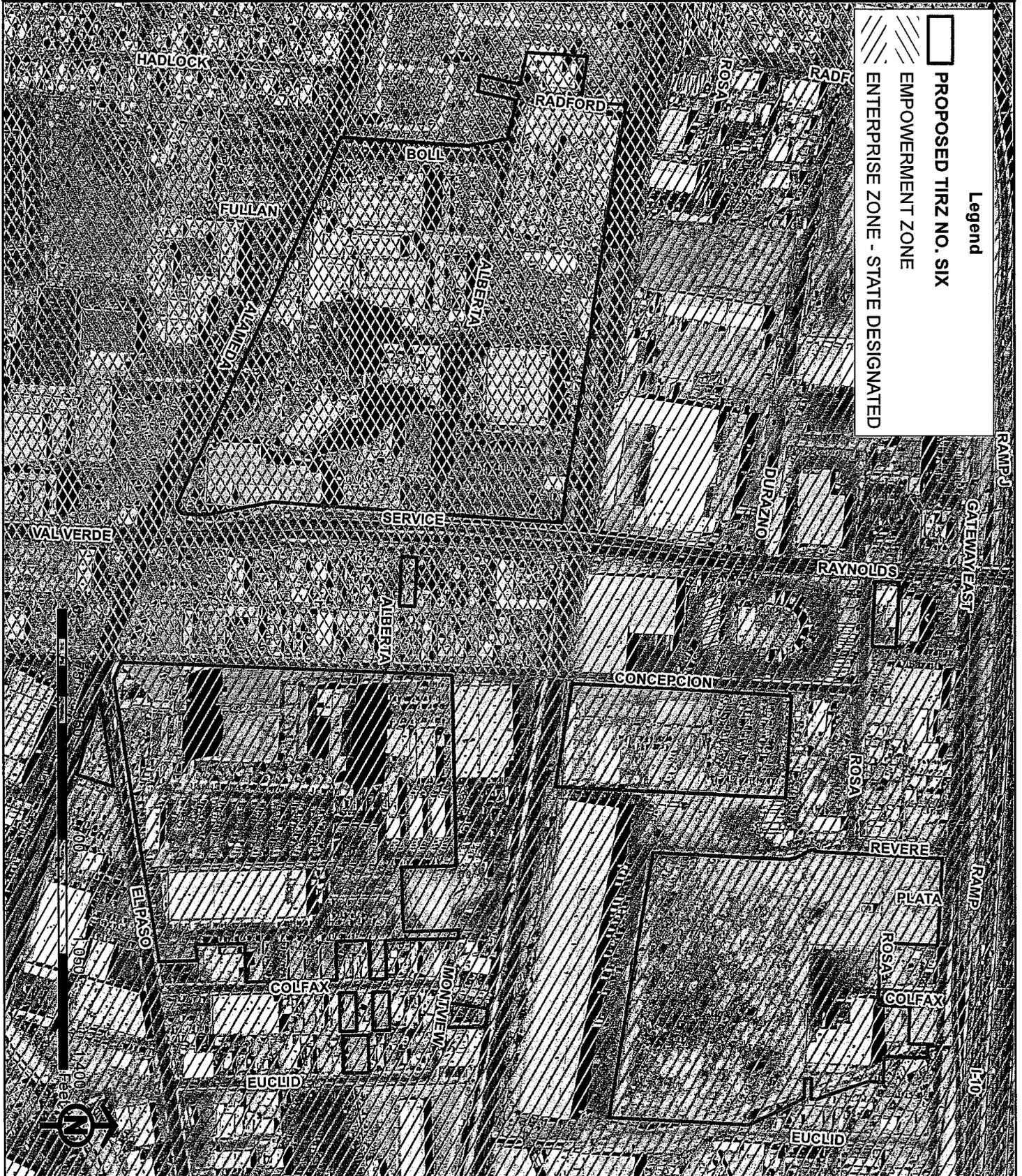
Mathew S. McElroy
Mathew S. McElroy, Director
Planning and Economic Development

EXHIBIT A – PARCELS INCLUDED IN TAX INCREMENT
REINVESTMENT ZONE, NUMBER SIX (BY PID NUMBER)

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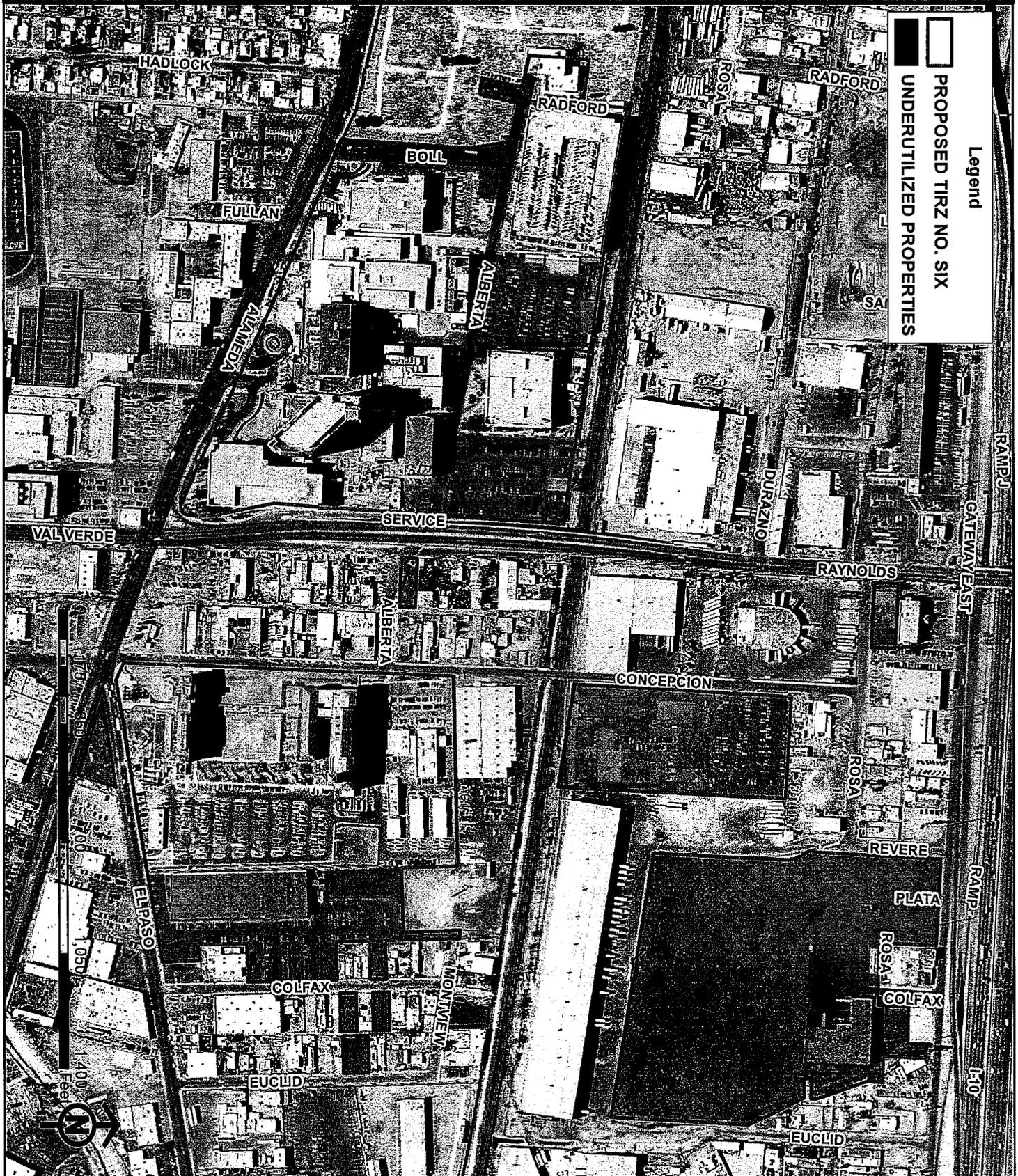
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T55699900207300	T55699900809200	X008999000B9600
T55699900208100	T55699900900100	X011999000A0100
T55699900208900	T55699900900600	X011999000A0500
T55699900209700	T55699900901100	X011999000A3700
T55699900305100	T55699900901600	X011999000A4300
T55699900400100	T55699900902100	X011999000A4700
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Exhibit B. Tax Increment Reinvestment Zone No. Six - Empowerment & Enterprise Zones



017793

Exhibit C. Tax Increment Reinvestment Zone No. Six - Underutilized Properties



017793

CITY OF EL PASO

PRELIMINARY PROJECT PLAN
AND PRELIMINARY
REINVESTMENT ZONE
FINANCING PLAN

REINVESTMENT ZONE NUMBER SIX
CITY OF EL PASO, TEXAS

MEDICAL CENTER OF THE AMERICAS
REDEVELOPMENT

2012

APPROVED: *May 29, 2012*

Amended:



2 CIVIC CENTER PLAZA EL PASO, TEXAS 79901-1153

017793

Preliminary Project and Financing Plan

Medical Center of the Americas Tax Increment Reinvestment Zone Number Six

Section 1: Executive Summary

In a resolution approved on October 18, 2011, the City Council of the CITY OF EL PASO, TEXAS (the "City") expressed its intent to create TAX INCREMENT REINVESTMENT ZONE NUMBER SIX, CITY OF EL PASO, TEXAS (the "Zone") to enable the redevelopment of a noncontiguous subset of the approximate 440 acres of land included in the Medical Center of the Americas (MCA) Master Plan Area (the "Project"). Specifically, the presently proposed noncontiguous redevelopment Zone consists of 67.01 acres of institutional and City owned land located within the MCA Master Plan Area. Both the MCA Master Plan Area and the proposed Zone contained therein are located south of Interstate 10 Highway, north and west of Paisano Drive, and east of Boone Street, and are currently anchored by the University Medical Center of El Paso and the Paul L. Foster School of Medicine at Texas Tech University Health Sciences Center at El Paso.

The Project will be implemented in accordance with the City's Medical Center of the Americas Master Plan prepared by LBL Architects/Camden Group in August 2008 (the "MCA Master Plan") and adopted by City Council as a study area plan to be incorporated into the City's comprehensive plan, "Plan El Paso", and the year 2025 General Land Use Map on October 21, 2008 through Ordinance No. 017014 and subsequently amended by Ordinance No. 017592 on June 21, 2011. Further, on June 21, 2011, through Ordinance No. 017589, all MCA Master Plan Area properties were zoned under consideration to SmartCode Zone (SCZ); as such, the Project will be implemented in compliance with SCZ. Finally, the proposed Zone will be established pursuant to the provisions of the Tax Increment Financing (TIF) Act, Chapter 311, Texas Tax Code, as amended (the "Act").

It is proposed that the Zone be created for a duration of (30) years, enduring through calendar year 2042. Proposed public infrastructure improvements eligible for tax increment financing provided by the Zone include street improvements, streetscaping, open space

improvements, and other public improvements including renovation of the City's Health Department, construction of Fire Station 5, and Sun Metro mass transit improvements, among others. Developers incurring eligible public improvement and enhancement costs will be reimbursed by the Zone's TIF fund to the extent tax increment revenue from increased property values and for-profit leasehold estates are generated. The City plans to contribute 100% of its tax increment revenue generated in the Zone; at this time, no other taxing authorities are expected to participate, although other jurisdictions may subsequently choose to participate following the creation of the Zone.

The purpose of the proposed Zone is to enable the creation of an integrated campus of facilities that will position the Medical Center of the Americas (MCA) as the premier center of health delivery, education, and research for the region's diverse and international population. Further, the Project and its associated redevelopment efforts, detailed in later sections of this report, will create the demographic and employment basis that will serve as a catalyst for additional commercial and industrial developments within the City's MCA area. A vibrant MCA area is consequently expected to enhance economic opportunities city-wide.

Section 2: Preliminary Project Plan

The proposed Medical Center of the Americas (MCA) Tax Increment Reinvestment Zone is intended to stimulate private investment in the El Paso MCA area and facilitate the creation of an integrated campus of facilities that will position the MCA as the premier regional center of health delivery, education, and research. The full implementation of the proposed Zone is expected to yield significant increases in tax revenues for all MCA area taxing authorities, providing substantial economic benefits and opportunities to the region. Exhibit A presents a map of the proposed Zone illustrating its noncontiguous boundary and location within the larger MCA Master Plan Area.

Over the Zone's proposed 30-year life, tax increment generated within the Zone is expected to provide financing to assist the Project. Proposed public infrastructure improvements eligible for tax increment financing provided by the Zone include street improvements, streetscaping, open space improvements, and other public improvements including renovation of the City's Health Department, construction of Fire Station 5, and Sun Metro mass transit improvements, among others. The list of eligible Project costs addressed in subsequent sections of this Preliminary Plan should not be considered comprehensive as additional Project costs may be considered upon designation of the Zone and establishment of its Board of Directors, provided that additional proposed Projects promote development within the MCA area.

In total, the presently proposed noncontiguous Zone consists of 67.01 acres of land owned by the City of El Paso, the Medical Center of the Americas Foundation or its affiliates, and the Texas Tech University Health Sciences Center at El Paso. Current and proposed land uses within the Zone are detailed more fully in the following subsections of the Preliminary Project Plan.

EXISTING CONDITIONS AND PROPOSED USE – Section 311.011(b)(1)

The proposed Zone in its present condition consists of 67.01 acres of noncontiguous institutional and City of El Paso owned land located within the MCA Master Plan area. Proposed Zone acreage and acreage share are classified by property owner in Table 1 below and further illustrated in Exhibit B. Narrative descriptions of existing conditions and proposed land use in the Zone are included below.

TABLE 1. Tax Increment Reinvestment Zone No. 6 Acreage by Property Owner

Property Owner	Proposed TIRZ Acreage	Percent of Proposed TIRZ Acreage
University Medical Center	29.38	43.8%
City of El Paso	20.97	31.3%
Texas Tech University	16.32	24.4%
MCAmericas Realty Inc.	0.34	0.5%
TOTALS:	67.01	100.0%

University Medical Center Owned Property

The largest proportion (or 43.8 percent) of land proposed for inclusion in the Zone is owned by University Medical Center (UMC). UMC owned land consists primarily of two public not-for-profit hospitals including University Medical Center, formerly known as Thomason Hospital, and the El Paso Children's Hospital. The latter of these opened its doors to the public earlier this year on February 14, 2012 and is intended to address the region's critical need for a premier pediatric facility, while the former serves as the primary teaching hospital for the Paul L. Foster School of Medicine at Texas Tech University Health Sciences Center at El Paso. Additional land acquired by UMC and included in the Zone is presently being considered for redevelopment and use as medical offices located southwest of a proposed biomedical research and technology commercialization park.

City of El Paso Owned Property

City owned land comprises the second largest proportion of proposed Zone acreage with nearly one-third (or 31.3 percent) of the land located within the Zone belonging to the City. Approximately half of this land, or 11.7 acres, is intended for redevelopment and use as a life sciences research center to expand biomedical research, enable technology commercialization, support new enterprise formation, and attract new biomedical firms which will serve as an initial catalyst for redevelopment within the Zone and the larger MCA Master Plan Area. Specifically, on October 18, 2011, subject to the approval of an ordinance adopting the presently proposed Zone, City Council authorized a Lease Agreement between the City and MCA Tech Park Inc., an affiliate of the MCA Foundation, for the construction and operation of life sciences research,

technology commercialization and related facilities, and parking garages on the subject property adjacently located to Interstate Highway I-10 between Revere and Euclid Streets. The remaining portion of City owned property within the proposed Zone is located primarily east of the Paul L. Foster School of Medicine. Much of this land is currently the site of the City of El Paso's Public Health Department, which is expected to be renovated.

Texas Tech University Owned Property

Texas Tech University owned property comprises about one-quarter (or 24.4 percent) of the land located within the proposed Zone. The majority of this land consists of the Paul L. Foster School of Medicine at the Texas Tech University Health Sciences Center at El Paso whose inaugural class was seated in August of 2009. Uniquely positioned along the U.S.-Mexico border, the urban campus differs from traditional medical schools in that its students are immersed in clinical sciences in their first year. As the Zone matures, the Paul L. Foster School of Medicine is expected to play a significant role in medical research and the provision of quality healthcare in the region.

MCAmericas Realty, Inc. Owned Property

The remaining 0.5 percent of the property to be included in the proposed Zone is owned by MCAmericas Realty, Inc., an affiliate of the MCA Foundation, and is currently leased to the Texas Tech Health Sciences Center (TTUHSC) at El Paso. TTUHSC currently uses the property for research and other administration functions. The lease agreement is expected to continue for at least 10 years into the future.

The purpose of the presently proposed Zone is to facilitate the creation of an integrated complex of medical facilities, positioning the region as a premier center for health care and biomedical research and commercialization. While substantial collaboration currently exists among the various property owners located within the Zone, as evidenced by the narrative of existing conditions above, the creation of the proposed Zone is expected to further strengthen these relationships and interactions. Future developments within the proposed Zone will complement and stimulate improvements within the larger MCA Master Plan area, providing the critical demographic and employment mass needed to support area redevelopment as more fully detailed in the MCA Master Plan.

BOUNDARIES

Exhibit A presents the proposed Zone map, illustrating the boundary of the noncontiguous Zone in relation to the larger MCA area boundary as detailed in the City's adopted MCA Master Plan. Generally the proposed noncontiguous Zone is bounded by Alameda Avenue and El Paso Drive to the south (with one parcel located south of El Paso Drive and north of Alameda Avenue), Euclid Street to the East, the Interstate 10 Highway to the north, and Raynolds Street, the Union Pacific railway, and Radford Street to the northwest and west. Exhibit C presents a list of all included parcels by geographic ID number. The proposed Zone is flexible in that its boundaries may be amended over the course of its lifetime should other public and/or private property owners choose to participate in the Zone following its designation.

MUNICIPAL ORDINANCES – Section 311.011(b)(2)

No changes to existing ordinances, including development ordinances or building codes, are required to implement the Plan. The Plan was developed subsequent to and in accordance with the MCA Master Plan as an addendum to "Plan El Paso", the comprehensive plan for the City. In addition to compliance with laws and procedures directly associated with the development of the Zone pursuant to the Act, the Project will comply with all local codes and ordinances, including local building codes. Currently land located within the proposed Zone is zoned under consideration to SCZ; however, changes to SCZ sub-zones may be necessary as the strategy for the MCA Master Plan area, and consequently the Zone, evolves over time.

NON-PROJECT COSTS – Section 311.011(b)(3)

At this time, non-project costs are estimated to total approximately \$176 million and represent expenditures within the Zone that will not be funded or reimbursed by the TIRZ (see Table 2). For example, non-project costs include the construction of an MCA research and technology commercialization building, intended to house such projects and functions as a medical research incubator, which will support the formation of new enterprises, expand existing industry, and attract new firms to the region. Non-projects costs will not be funded or reimbursed by the tax increment collected within the Zone.

TABLE 2. Estimate of Non-Project Costs

Project	Estimated Non-Project Costs
Developer Projects	
Texas Tech University Health Sciences – Gayle Greve Hunt School of Nursing Building	\$11,000,000
MCA Research and Technology Commercialization Building	\$47,000,000
Quality Foods Warehouse Improvements – Conference Center & Machine Shop	\$3,000,000
Pediatric Pavilion (Outpatient Medical Office Building)	\$40,000,000
Administrative Office	\$25,000,000
Telemedicine Resource Center	\$50,000,000
TOTAL:	\$176,000,000

RELOCATION – Section 311.011(b)(4)

The Plan anticipates no resident will need to be relocated to implement the Plan. In the event that residential properties are purchased by developers in connection with the project construction, the City will assist displaced tenants in locating alternate housing or other housing assistance.

PROPOSED PROJECTS ELIGIBLE FOR TIRZ FUNDING [RESERVED]

TABLE 3. Projects Eligible for TIRZ Funding

Project	Estimated Costs	Funding Sources
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[Intentionally left blank]		
TOTAL:		

Narrative Description of Proposed Projects: [RESERVED]

Section 3: Preliminary Reinvestment Financing Plan

Based on preliminary values provided by the El Paso Central Appraisal District, the 2012 base appraised value, before exemptions and special valuations, of properties located within the 67.01 acre Project (Exhibit A) is \$15,254,271. As indicated in Exhibit B, all properties included in the proposed Zone are publicly or institutionally owned, and as such, are tax exempt, resulting in a taxable real property base appraisal value of \$0. Over the planned 30-year duration of the Zone, the City expects to contribute 100 percent of its portion of taxes collected on properties located within the Zone above the 2012 base collection value of \$0.

Sources of City contributed incremental tax revenues include those taxes collected on for-profit leasehold estates, as well as those collected on taxable properties located within the Zone. Although the proposed Zone does not currently include taxable properties, the City intends to contribute 100 percent of its portion of incremental taxes collected on future non-exempt properties resulting from the prospective sale of publicly owned land to private developers/entities. The incremental revenue collected from these sources will contribute to financing Zone project costs, including public improvements and infrastructure enhancements.

Additionally, as the Zone and its surrounding areas develop, property owners whose properties are not currently included in the proposed Zone may choose to participate, thereby further increasing fund revenue available for financing Zone project costs. By opting to join the Zone, the property owner guarantees that the City's portion of the incremental property tax revenue collected on the said property is devoted to financing public enhancements and infrastructure improvements within the property's area (i.e. within the Zone).

Presently, it is anticipated that the City will be the sole participating taxing jurisdiction in the Zone. However, following the designation of the Zone, other taxing authorities, such as El Paso County, El Paso Independent School District, El Paso Community College, and University Medical Center, may choose to contribute some percentage of their unit's portion of collected tax revenue above the 2012 base collection value of \$0. Contributions from these jurisdictions will be applied to financing Zone project costs.

Pursuant to the Act and upon designation of the proposed Zone by the El Paso City Council, and approval of the Zone's Board of Directors, the City plans to contract an outside consulting group to conduct an economic feasibility study for the Zone to be included in the

“Final Reinvestment Zone Financing Plan”.

ESTIMATED PROJECT COSTS – Section 311.011(c)(1)

Eligible Project Costs include public improvements such as enhancements to streets and approaches, drainage, sewer, water, sidewalks, street lights, in addition to other costs associated with construction of public improvements, rehabilitation costs, financing costs, and administrative costs. A list of current estimated Project Costs is set forth in Table 4; this list should be considered preliminary and may be revised following the designation of the Zone and the approval of its Board of Directors. At this time, total Zone Project Costs are estimated at \$5,780,000. Eligible Project Costs incurred by developers will be reimbursed by the Zone’s tax increment fund to the extent the tax increment revenue is generated. The City plans to contribute 100 percent of its tax increment revenue; at this time, no other taxing authorities are expected to participate, although other jurisdictions may choose to participate following the designation of the Zone and the approval of its Board.

TABLE 4. Estimate of Project Costs

Improvements	Project Scope	Estimated Costs
City of El Paso Health Department Renovation	Renovation of clinic area, relocate food handlers function and add parking to the facility.	\$1,500,000
Fire Station 5	Construction of FS 513, combining FS 5 and FS 13.	\$3,500,000
Alameda Rapid Transit System (RTS)	Improvements consisting of landscaping, illumination and sidewalk upgrades, as well as the installation of two RTS stations.	\$780,000
TOTAL:		\$5,780,000

While it is understood that time and circumstances may affect the costs of individual projects causing them to rise or fall and that the costs outlined in this Plan are expressed in 2012 dollars requiring adjustments to reflect actual costs, it is also understood that the Zone Board, the City, and developers will make every effort to ensure that Zone Project Costs are reasonable. Further, every public project will be subject to the oversight of the Zone Board and the City; such oversight will consist of advance review of the appropriateness, timing, scale and scope of the proposed project. The Zone Board and the City will ensure compliance with all laws on

competitive bidding, and City staff will review all Project Costs before any are eligible for reimbursement. In addition to those Project Costs set forth in Table 4, categories of eligible Project Costs are listed in Section 311.002(1) of the Texas Tax Code. When appropriate and practicable, reimbursement of the following Project Costs will be considered:

1. Capital Expenses related to demolition, environmental abatement and remediation including site work and fill necessary to prepare sites and existing structures for new use;
2. Land Costs associated with property formally conveyed to the public in conjunction with the implementation of project otherwise eligible for reimbursement may also be eligible for reimbursement, and the City and the Zone may establish procedures for determining the eligibility for reimbursement of such costs;
3. Matching Funds may be contributed in support of local, state, federal or other capital improvements programs that benefit the project and region;
4. Streetscape, gateways, parks and community facilities that enhance or serve the existing or future development, including but not limited to lighting, walks, landscaping, street furniture, greenbelts, paths, parks, outdoor pavilions, arts space and recreational/sports facilities;
5. Professional Fees incurred for architectural, planning, engineering, legal, landscape architecture, financial, marketing, public relations, management, leasing, bookkeeping, tax roll verification, environmental, archaeological, and other services and advice to the project;
6. Financing Costs related to developer interest and financing interest, if any; legal fees; underwriter fees, if any; brokerage charges; premium and fees paid for loans, if any; credit enhancement fees, if any; and notes, bonds, or other instruments of credit issued to pay for Project Costs, if any.

KIND, NUMBER, AND LOCATION OF ZONE IMPROVEMENTS – Section 311.011(c)(2)

Upon the designation of the proposed Zone and its Board of Directors, the kind, number and location of Zone Project Costs eligible for reimbursement, as known at the time of the

preparation of the Final Reinvestment Financing Plan, will be determined.

ECONOMIC FEASIBILITY – Section 311.011(c)(3)

Pursuant to the Act, the City plans to contract an outside consultant to conduct an economic feasibility study for the Zone to be completed and presented in the Final Reinvestment zone Financing Plan, following the designation of the proposed Zone and its Board of Directors.

ESTIMATE OF BONDED INDEBTEDNESS TO BE INCURRED –

Section 311.011(c)(4)

No bonded indebtedness is contemplated at this time. Funding for qualified eligible public improvements and qualified interest on funds advanced by the Developer(s) will occur through reimbursement payments made on an annual basis, as determined by the terms and conditions of agreements between the City and the Developer(s). However, the City reserves the right from time to time during the duration of the Zone to issue tax-exempt bonds ("Bonds") payable from tax increment revenue. The future issuance of Bonds is at the City's sole and absolute discretion and would be preceded by an amendment to the Final Reinvestment Zone Financing Plan and approved by City Council.

ESTIMATE OF TIME WHEN MONETARY OBLIGATIONS ARE TO BE INCURRED – Section 311.011(c)(5)

The City and Zone will incur monetary obligations as the stream of tax revenue allow. Developers will be reimbursed only after completion, inspection and acceptance by the City of eligible public improvements and infrastructure enhancements or as detailed in agreements between the City and the Developer(s). Administrative costs and costs related to the creation and organization of the Zone may be paid from tax increment revenue or bond proceeds, if issued. Administrative costs advanced by a developer are eligible for reimbursement from tax increment proceeds or bond proceeds.

METHODS OF FINANCING AND SOURCES OF REVENUE – Section 311.011(c)(6)

The City will participate with 100 percent of its ad valorem tax increment revenue for the full life of the Zone and none of its sales tax revenue. No other taxing jurisdiction is anticipated to

participate. Project Costs will be paid from tax increment revenue as available or by the issuance of bonds, if the City so elects and amends the Final Reinvestment Financing Plan.

CURRENT APPRAISED VALUE – Section 311.011(c)(7)

The total 2012 appraised value, before exemptions and special valuations, of properties located in the presently proposed Zone is \$15,254,271 based upon the El Paso Central Appraisal District 2012 preliminary roll. After exemptions and special valuations, the base appraisal value of properties located within the boundaries of the Zone is \$0.

ESTIMATED CAPTURED APPRAISED VALUE – Section 311.011(c)(8)

The estimated captured appraised value of properties located in the presently proposed Zone is \$0; however, the captured appraised value is expected to increase over time with the execution of for-profit leasehold agreements on properties located within the Zone, as well as with the potential future sale of City-owned property to private developers/entities. Captured appraised value may also increase with

DURATION OF ZONE – Section 311.011(c)(9)

If approved, the Ordinance presently being considered would designate the Zone and provides that “the Zone shall take effect immediately upon the passage of this Ordinance, pursuant to Section 311.044(a)(3) of the Act, and continue until its termination date of December 31, 2042 (the “Termination Date”), unless otherwise terminated earlier as a result of payment in full of all project costs, and the interest accrued on those costs, or as authorized or permitted by law.” Thus, the proposed Zone will endure for 30 years, lasting through calendar year 2042.

PROPOSED PROJECTS [RESERVED]

TABLE 5. Proposed Projects

Project	Project Expenses for Public Improvements
[Intentionally left blank]	
[Intentionally left blank]	
TOTAL:	

EXHIBITS LIST

EXHIBIT A – Tax Increment Reinvestment Zone Number Six – Boundary

EXHIBIT B – Tax Increment Reinvestment Zone Number Six – Property Owners

EXHIBIT C – Parcels Included in Tax Increment Reinvestment Zone Number Six (by PID Number)

Exhibit B. Tax Increment Reinvestment Zone No. Six - Property Owners

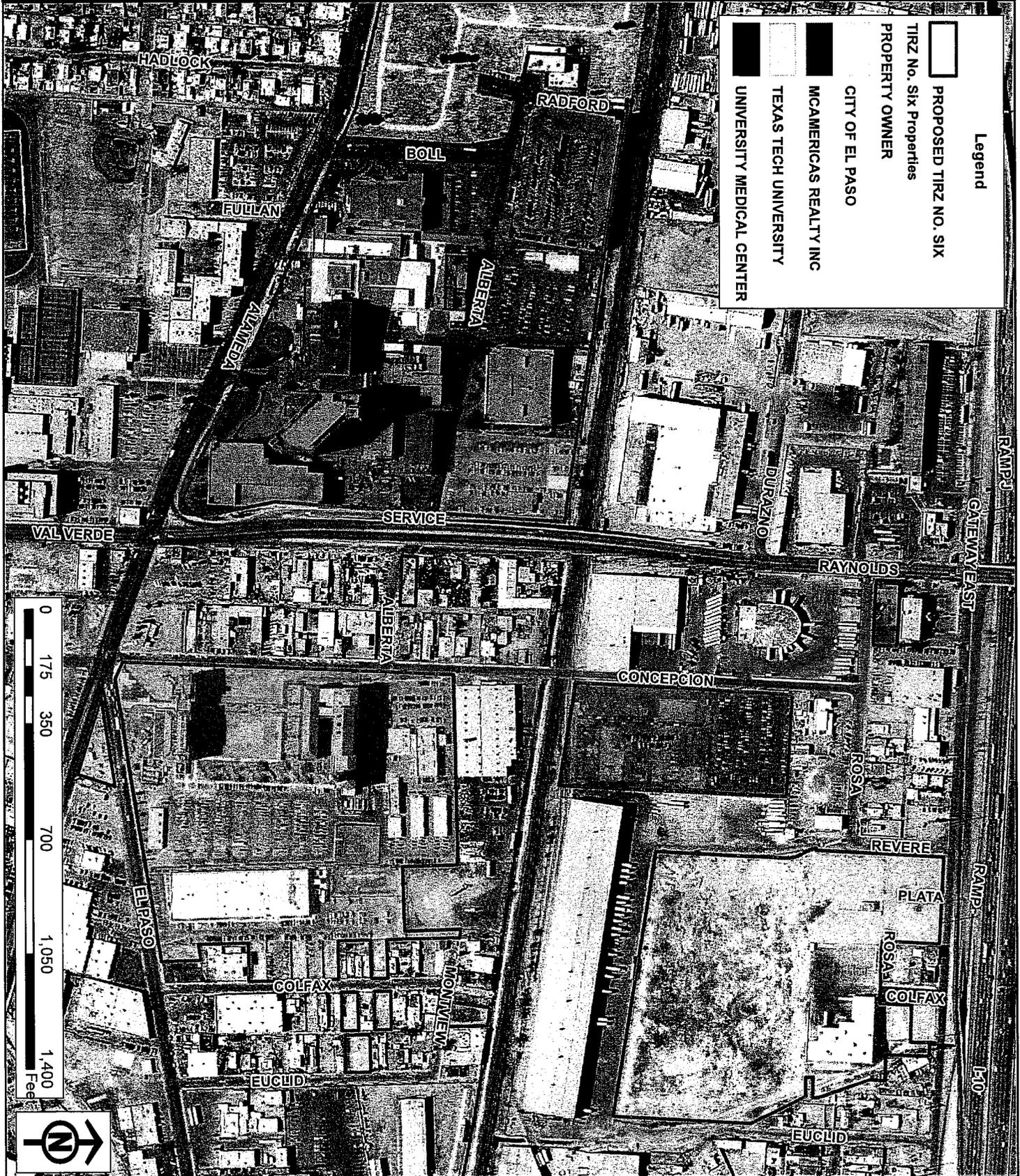


EXHIBIT C – PARCELS INCLUDED IN TAX INCREMENT
REINVESTMENT ZONE, NUMBER SIX (BY PID NUMBER)

B72499902100100	T55699900407600	T55699900904600
B72499902101700	T55699900409100	T55699900905100
B72499902105500	T55699900500100	T55699900905600
H04299900100100	T55699900505100	T55699900906100
H04299900101900	T55699900600100	T55699900906600
H04299900102500	T55699900605100	T55699900907100
H04299900103100	T55699900700100	T55699900907600
H04299900103200	T55699900700500	T55699900908100
H04299900103700	T55699900700900	T55699900908600
H04299900104300	T55699900701700	T55699900909100
H04299900104400	T55699900702000	T55699901000100
H04299900104900	T55699900702500	T55699901000900
H04299900107300	T55699900703300	T55699901001700
H04299900203700	T55699900704100	T55699901002500
H04299900206400	T55699900704900	T55699901003300
H04299900207000	T55699900705700	T55699901004100
H04299900304900	T55699900706500	T55699901004900
M30299900100100	T55699900707300	T55699901005700
M42899900100100	T55699900708100	T55699901006500
M42899900100150	T55699900708900	T55699901007300
T55699900101700	T55699900800100	T55699901008100
T55699900103300	T55699900800800	T55699901008900
T55699900104900	T55699900801500	T55699901104900
T55699900106500	T55699900802200	T55699901105700
T55699900108100	T55699900802900	T55699901107300
T55699900200100	T55699900803600	T55699901108100
T55699900200900	T55699900804300	T55699901108900
T55699900201700	T55699900804400	T55699901203400
T55699900202500	T55699900805000	T55699901204500
T55699900203300	T55699900805700	V08899900104100

T55699900204100	T55699900806400	V08899900107600
T55699900204900	T55699900807100	V08899900204300
T55699900205700	T55699900807800	V08899900405000
T55699900206500	T55699900808500	X008999000B4800
T55699900207300	T55699900809200	X008999000B9600
T55699900208100	T55699900900100	X011999000A0100
T55699900208900	T55699900900600	X011999000A0500
T55699900209700	T55699900901100	X011999000A3700
T55699900305100	T55699900901600	X011999000A4300
T55699900400100	T55699900902100	X011999000A4700
T55699900401600	T55699900902600	X011999000B4900
T55699900403100	T55699900903100	X011999000B5500
T55699900404600	T55699900903600	X011999000B6900
T55699900406100	T55699900904100	X011999000C1725