

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

DEPARTMENT: City Development Department

AGENDA DATE: February 19, 2013

CONTACT PERSON/PHONE: Mathew McElroy, Director, City Development Department, (915)541-4193

DISTRICT(S) AFFECTED: [ALL]

SUBJECT:

Discussion and action on the proposed amendments to the Sustainable City Centers Incentive Policy. (All Districts) [City Development Department, Mathew McElroy, City Development Department, (915) 541-4193]

BACKGROUND/DISCUSSION:

The proposed amendments to the Sustainable City Centers Incentive Policy, passed by Council on July 31, 2012, seek to clarify the requirements and procedures for the policy that provides financial and other incentives to promote the growth and development of sustainable city centers and encourage the use of design guidelines described within *Plan El Paso*, the City of El Paso's Comprehensive Plan, within the defined Transit-Oriented Development areas ("Incentive Area") to improve mobility and travel choices, spur economic development and invest in established neighborhoods. The amendments to the policy seek to clarify and add to the following: the creation of the Sustainable City Centers Fund, extend the term of the policy, revised incentive maps for the City to expand the incentive areas and clarification of verbiage throughout the policy.

PRIOR COUNCIL ACTION:

Has the Council previously considered this item or a closely related one?

Yes. On July 31, 2012, City Council adopted the current Sustainable City Centers Incentive Policy.

AMOUNT AND SOURCE OF FUNDING:

How will this item be funded? Has the item been budgeted? If so, identify funding source by account numbers and description of account. Does it require a budget transfer?

N/A

BOARD/COMMISSION ACTION:

Enter appropriate comments or N/A.

N/A

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

LEGAL: (if required) _____ **FINANCE:** (if required) _____

DEPARTMENT HEAD: _____

(Example: If RCA is initiated by Purchasing, client department should sign also). *Information copy to appropriate Deputy City Manager*

APPROVED FOR AGENDA:

CITY MANAGER: _____ **DATE:** _____

**A RESOLUTION AMENDING THE CITY'S SUSTAINABLE CITY CENTERS
INCENTIVE POLICY**

WHEREAS, on July 31, 2012, the El Paso City Council, adopted a resolution that established the Sustainable City Centers Incentive Policy (the "Policy"); and

WHEREAS, the Director of City Development now recommends that the adopted Policy be amended: (1) create the Sustainable City Centers Fund; (2) extend the term of the Policy; (3) revise the incentive map for the City to expand the incentive area; and (4) clarification of verbiage throughout the Policy.

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

(1) The City of El Paso Sustainable City Centers Incentive Policy be amended and restated as shown in Exhibit "A", attached to this Resolution.

(2) It is the intention of City Council that any applicants who have received building permits since the date of the initial adoption of the Program are also eligible to participate under the amended Program.

PASSED AND APPROVED this ____ day of _____ 2013.

CITY OF EL PASO, TEXAS

John F. Cook
Mayor

ATTEST:

Richarda Duffy Momsen
City Clerk

APPROVED AS TO FORM:



Matthew K. Behrens
Assistant City Attorney

APPROVED AS TO CONTENT:



Mathew McElroy, Director
City Development Department

Sustainable City Centers Incentive Policy

PURPOSE

It is the policy of the City of El Paso to provide incentives to promote the growth and development of sustainable city centers and encourage the use of design guidelines described within *Plan El Paso*, the City of El Paso's Comprehensive Plan ("Comprehensive Plan") within the Transit-Oriented Development (TOD) Overlay defined below (more specifically depicted on the Map attached hereto as Exhibit A, the "Incentive Area") to improve ~~all types of~~ mobility and travel choices, spur economic development, support Downtown revitalization, and invest in established neighborhoods. The success of the Rapid Transit System (RTS) will also hinge on the quality of urban spaces that surround the RTS stations and stops. TOD is a design and development strategy that links higher-density, walkable neighborhoods to transit stations. TOD strengthens the urban fabric that surrounds public transportation with a mix of daily uses, including housing, retail and office. This strategy acknowledges that most transit riders begin and end their trips as pedestrians, and that the streets around RTS stations and stops should be safe, interesting and convenient places to walk. Insofar as these goals are served by enhancing the value of the local tax base and setting the stage for longer-term multimodal transportation investments that support the City's future land use vision by restoring lost urban fabric and concentrate ~~concentrating~~ on a human-scaled smart growth strategy, the City of El Paso will give consideration to provide incentives for sustainable city centers in the TOD Overlay.

The purpose of this policy is to define the financial or other incentives available to encourage the growth and development of sustainable city centers to jump start economic development in the six urban locations ~~specifically located along these five primary corridors, identified by~~ the TOD Overlay defined by this policy, to improve the quality of life for El Paso residents while reducing the City's carbon footprint.

The City of El Paso is under no obligation to approve any requested incentive and the right to these incentives is neither intended nor implied.

DEFINITIONS

Comprehensive Plan – *Plan El Paso*, the City of El Paso's Comprehensive Plan adopted by El Paso City Council on March 6, 2012.

Leadership in Energy and Environmental Design (LEED) – program for construction of buildings that meet the LEED rating system that scores buildings according to their

energy savings, water efficiency, CO2 emissions reduction, improved indoor environmental quality and stewardship of resources and sensitivity to their impacts.

~~Smart Code~~SmartCode – a land development ordinance adopted by City Council as referenced in Title 21 of the City of El Paso municipal code. The ordinance is designed to create compact, walkable and mixed-use neighborhoods with a variety of transportation options, conservation of green space and local character with diverse housing options.

~~Smart Code Regulation~~SmartCode Regulating Plan – means a ~~zoning~~ map or set of maps that shows the transect zones, civic zones, special districts if any, and special requirements if any, thoroughfare network, and Special Requirements if any, of areas subject to, or potentially subject to, regulation by the SmartCode.

Sustainable City Centers Fund – a separate funding source ~~for economic development incentives intended~~ for projects eligible for a property tax rebate under this Incentive Policy and located in a Transportation Reinvestment Zone (TRZ) or Tax Increment Reinvestment Zone (TIRZ) ~~whereby), wherein~~ the property tax increment has already been allocated to one of these specific ~~zones. reinvestment zones' funds.~~

Transit-Oriented Development (TOD) ~~Overlays — a ¼ mile radius around~~Overlay – the ~~five~~Incentive Area more fully described in Exhibit A designated in proximity to the current and planned Rapid Transit System (RTS) stations and stops located in the following six areas of ~~Five Points, Nestor Valencia~~Mission Valley, Glory Road, Northgate ~~and the entire, the El Paso International Airport Southern Industrial Park (EPIA SIP), and the~~ Medical Center of the Americas (MCA) ~~Smart Code Zone.~~

PROGRAM POLICY AND ELIGIBILITY CRITERIA

It is the policy of the City of El Paso that consideration for the project will be provided in accordance with the guidelines, criteria and procedures outlined in this document. This policy applies to the owners of real property. Project consideration will include the potential impact of the ~~new~~ construction project on the immediate and surrounding area. The City of El Paso may provide incentives to a property owner if the proposed ~~new~~ construction project meets the following criteria:

~~Private commercial or multi-family use property that includes investment in transit-oriented~~

1. Be intended for the development or redevelopment of a private commercial or multi-family use property that is located within one of the six Incentive AreaAreas as more fully described by Exhibit A; and

2. ~~New construction project must meet~~ Adhere to the design guidelines outlined in the ~~City's~~ Comprehensive Plan, and more specifically, in the Urban Design Element and Community Design Manual sections of City'sthe Comprehensive Plan; ~~and in the proposed Smart Code Neighborhood Plans, where applicable, to the approved SmartCode Regulating Plan~~ and all standards specific to the transect zone applied to ~~an~~the individual property, and as more fully described by the SmartCode (the "Design Requirements"); and
3. ~~Private commercial or multi-family use property that includes investment of~~Include a minimum ~~of~~ \$200,000 investment for a new construction project or a minimum ~~of~~ \$50,000 investment for an adaptive reuse or rehabilitation ~~and utilizes the Design Requirements~~project; and
4. ~~Demonstrates~~Demonstrate the potential to generate revenues to the City which outweigh the costs associated with the incentives; and
5. ~~The~~All required building permits ~~were~~be granted within the forty-eight (48) months ~~after adoption of this Sustainable City Centers Incentive Policy; and from March 1, 2013.~~
6. ~~The Sustainable City Centers Policy incentives described herein will not be eligible for projects~~Projects that include the demolition of properties zoned with a historic overlay or that are deemed historic or contributing- are ineligible for the incentives described in this policy; and
7. The ~~Sustainable City Centers Policy~~ incentives described herein may be eligible ~~to be used for use~~ in conjunction with other incentive programs such as the City's LEED grant-; and
8. ~~Include~~The applicant must provide solid evidence ~~provided by the property owner~~ that demonstrates the financial stability and capacity to complete the project-; such evidence ~~can~~may include financial statements for a corporation or tax statements for an individual; and
9. ~~Be~~The project must be in compliance with all local, state and federal laws.

The applicant, in order to receive any such incentives from the City of El Paso will make available credible information to include, but not limited to, all appropriate and substantiating documents detailing the eligible reimbursement amount requested to enable the City to prepare a fiscal impact analysis. The applicant will update this information annually during the term of ~~any~~the incentives contract. The decision to provide any economic development incentives will be considered on a project-by-project basis, in accordance with the criteria set forth in this policy, and at the

discretion of the City Council of the City of El Paso. In order to be eligible for incentives, property owners, to include businesses or individuals, must be current on all city taxes or any other obligation to the City.

For purposes of this section, any property in a historic district or with a historic designation shall be subject to the requirements and review provisions of Chapter 20.20 (Historic Landmark Preservation) of the City Code, ~~and;~~ conditions of this Chapter shall not be waived by any provision of this policy.

Agreements may be conditioned on the completion of specific improvements to real property. The Agreements shall contain recapture clauses in the event that such conditions are not met.

PROCEDURAL AND PROGRAM GUIDELINES

Any person, partnership, organization, corporation or other entity desiring that the City of El Paso consider providing ~~sustainable city centers~~ Sustainable City Centers incentives shall be required to comply with the following procedural guidelines.

Application

Applicants shall submit a completed "Application for Sustainable City Centers Incentives" form for consideration of financial incentives to the City Development Department of the City of El Paso, Economic Development Division, 2 Civic Center Plaza, El Paso, Texas 79901.

Consideration of the Application

The City Manager or designee will consider requests for financial incentives in accordance with these policies, the Texas Tax Code, and the Texas Local Government Code. Additional information may be requested as needed. Applicants satisfying the general criteria and meeting the qualification standards will be considered.

When authorized by City Council, the City Manager, on behalf of the City, may enter into an agreement/incentives contract that outlines the terms and conditions between the City and the applicant, and governs the provision of the incentives to be provided for the project.

Inspection of the Project

During the term of such agreement, the City of El Paso will have the right to inspect the project facility during regular business hours to ensure compliance with the agreement and accuracy of the owner certification.

Recapture

If a project is not completed as specified, or if the terms of the agreement are not met, the City has the right to cancel or amend the incentive agreement, recapture any rebated tax amounts, and rebated tax amounts shall become due to the City.

TYPES OF DIRECT FINANCIAL INCENTIVES AVAILABLE

Construction Materials Sales and Use Tax Rebate

The Construction Materials Sales and Use Tax Rebate Program is an economic development tool designed to provide incentives for transit-oriented development within the Incentive Area. The applicant may be eligible for a 100% rebate of the City's portion of the sales and use tax used/collected on the purchase of materials and labor with a current minimum expenditure amount for improvements or new construction of \$50,000. This incentive will be delivered by execution of a Chapter 380 Rebate contract Agreement, and is contingent on the satisfaction of all previously listed program policy and eligibility criteria.

Property Tax Rebate

The City's portion of the incremental/incremental ad valorem property taxes collected over the base year value may be rebated to the property owner according to the following:

A. New Construction

A. For a New Construction project satisfying all previously listed program policy and eligibility criteria, the applicant may be eligible for:

1. A 5 year, 100 percent rebate of the City's portion of Property Taxes, increment only for new construction meeting the Design Requirements the incremental ad valorem property taxes collected over the base year value for projects located within the Five Points, Nestor Valencia Mission Valley, Glory Road and, Northgate RTS stations; or El Paso International Airport Southern Industrial Park Incentive Area; or
2. A 7 year, 100 percent rebate of the City's portion of Property Taxes, increment only for new construction meeting the Design

~~Requirements~~the incremental ad valorem property taxes collected over the base year value for projects located in the ~~MCA Smart Code Zone~~Medical Center of the Americas Incentive Area.

~~B. Reuse or Rehabilitation~~

~~B. For a Reuse or Rehabilitation project satisfying all previously listed program policy and eligibility criteria and with an investment value of over \$50,000, the applicant may be eligible for:~~

- ~~1. A 5 year, 100 percent rebate of the City's portion of the incremental ad valorem Property Taxes, increment only for adaptive reuse or rehabilitation meeting the Design Requirements Tax collected over the base year value for projects over \$100,000 located within the Five Points, Nestor Valencia Mission Valley, Glory Road and, Northgate RTS stations; or El Paso International Airport Southern Industrial Park Incentive Area; or~~
- ~~2. A 7 year, 100 percent rebate of the City's portion of Property Taxes, increment only the incremental ad valorem Property Tax collected over the base year value for adaptive reuse or rehabilitation meeting the Design Requirements for projects over \$100,000 projects located in the MCA Smart Code zone. Medical Center of the Americas Incentive Area.~~

~~Ad valorem property tax rebate is only available onto properties from which the City receives ad valorem taxes (i.e. taxes cannot be diverted through Historic Tax Credits, with the exception that such taxes collected on properties located in a Transportation Reinvestment Zone (TRZ), prior 380 agreements, Tax Increment Reinvestment Zones (TIRZ) or other means, except for properties within a Tax Increment Reinvestment Zone (TIRZ) may not be diverted from these zones' funds, except for properties within TIRZ No. 5). 6. Notwithstanding the foregoing, such properties may be eligible for an amount equivalent with the portion of the property tax increment eligible for rebate under this Incentive Policy, subject to the availability of such monies in the Sustainable City Centers Fund.~~

~~The base year used for the calculation of incentives the property tax rebate incentive will be the year of contract execution.- This incentive will be delivered by execution of a standard Chapter 380 Agreement, as approved by the City Attorney.~~

~~Properties located in a TRZ or TIRZ may be eligible for the property tax rebates provided above subject to available funds in the Sustainable City Centers Fund.~~

Ground Floor Retail Sales & Use Tax Rebate

The City's portion of collected sales and use ~~tax~~tax may be rebated to the eligible applicant according to the following and is contingent on the satisfaction of all previously listed program policy and eligibility criteria:

1. A 5 year, 50 percent ~~abatement~~rebate of the City's portion of sales and use taxes ~~from collected on~~ ground floor, street oriented retail operations within the Five Points, ~~Nestor Valencia~~Mission Valley, Glory Road ~~and~~, Northgate ~~RTS stations~~, and El Paso International Airport Southern Industrial Park Incentive Area; or
2. A 7 year, 50 percent ~~abatement~~rebate of the City's portion of sales and use taxes ~~from collected on~~ ground floor, street oriented retail operations located in the ~~MCA Smart Code Zone~~Medical Center of the Americas Incentive Area.

Eligibility for this incentive is subject to the City's receipt of waivers of confidentiality of sales and use tax payments from the applicant's retail tenants.

TERM OF FINANCIAL INCENTIVES

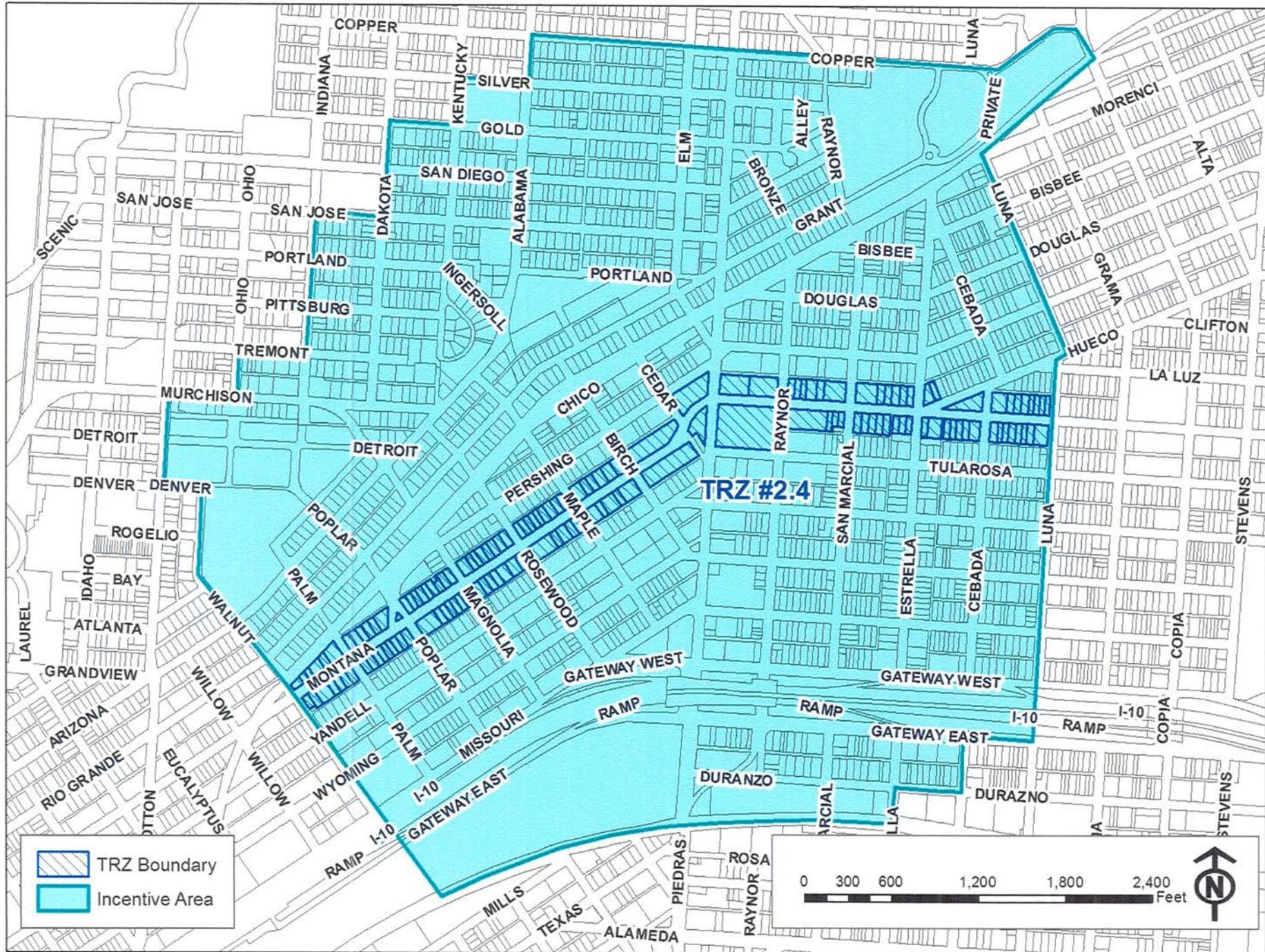
The availability of financial incentives under this Policy shall remain in effect for four (4) years from ~~adoption by City Council~~March 1, 2013.

SUPPLEMENTAL BENEFITS AVAILABLE TO PROMOTE TRANSIT-ORIENTED DEVELOPMENT

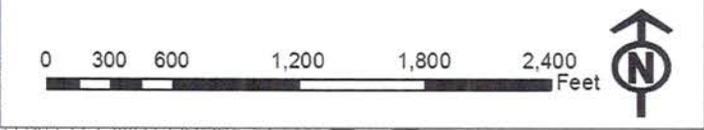
Building Construction Fee Waivers

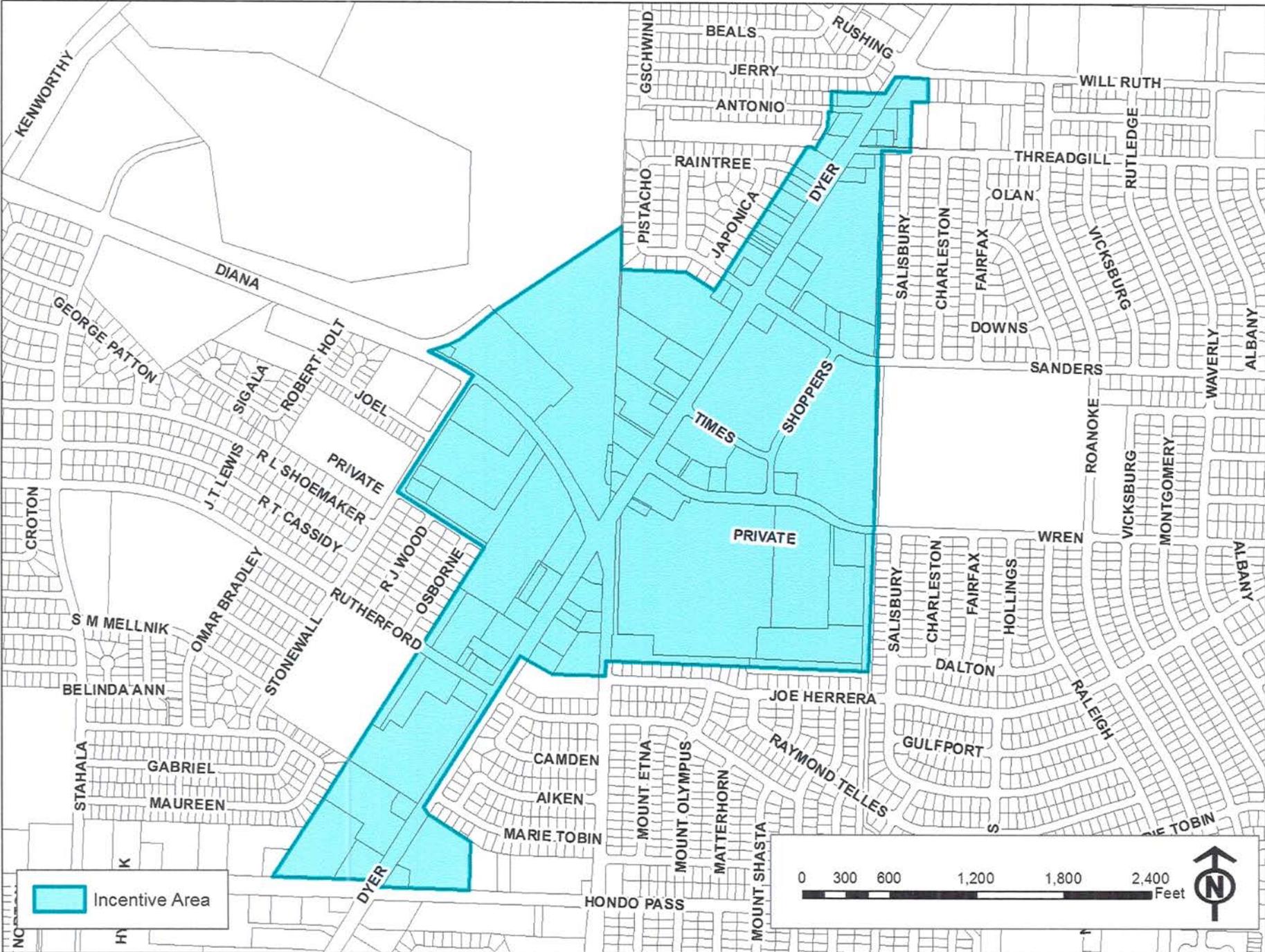
If the City Council approves by ordinance the reduction or the waiver of building construction fees and planning fees associated with transit-oriented development within the Incentive Area, the Economic Development ~~Department~~Division will implement the Building Construction Fee Waiver Program approved by City Council for the purpose of providing eligible property owners an opportunity to apply for an exemption from planning and building fees associated with new construction or renovation and occupancy of such facilities. If ~~this Sustainable City Centers Incentive policy program policy and the~~ eligibility criteria of this program and this incentive policy are met, then 100% of the certain development fees will be waived based on the fee schedule established in the ordinance or other appropriate resolution of Council, but in no event will the total fee waiver amount exceed \$10,000.

Exhibit A



-  TRZ Boundary
-  Incentive Area





Sustainable City Centers Incentive Policy

PURPOSE

It is the policy of the City of El Paso to provide incentives to promote the growth and development of sustainable city centers and encourage the use of design guidelines described within *Plan El Paso*, the City of El Paso's Comprehensive Plan ("Comprehensive Plan") within the Transit-Oriented Development (TOD) Overlay defined below (more specifically depicted on the Map attached hereto as Exhibit A, the "Incentive Area") to improve mobility and travel choices, spur economic development, support Downtown revitalization, and invest in established neighborhoods. The success of the Rapid Transit System (RTS) will also hinge on the quality of urban spaces that surround the RTS stations and stops. TOD is a design and development strategy that links higher-density, walkable neighborhoods to transit stations. TOD strengthens the urban fabric that surrounds public transportation with a mix of daily uses, including housing, retail and office. This strategy acknowledges that most transit riders begin and end their trips as pedestrians, and that the streets around RTS stations and stops should be safe, interesting and convenient places to walk. Insofar as these goals are served by enhancing the value of the local tax base and setting the stage for longer-term multimodal transportation investments that support the City's future land use vision by restoring lost urban fabric and concentrating on a human-scaled smart growth strategy, the City of El Paso will give consideration to provide incentives for sustainable city centers in the TOD Overlay.

The purpose of this policy is to define the financial or other incentives available to encourage the growth and development of sustainable city centers to jump start economic development in the six urban locations identified by the TOD Overlay defined by this policy, to improve the quality of life for El Paso residents while reducing the City's carbon footprint.

The City of El Paso is under no obligation to approve any requested incentive and the right to these incentives is neither intended nor implied.

DEFINITIONS

Comprehensive Plan – Plan El Paso, the City of El Paso's Comprehensive Plan adopted by El Paso City Council on March 6, 2012.

Leadership in Energy and Environmental Design (LEED) – program for construction of buildings that meet the LEED rating system that scores buildings according to their

energy savings, water efficiency, CO2 emissions reduction, improved indoor environmental quality and stewardship of resources and sensitivity to their impacts.

SmartCode – a land development ordinance adopted by City Council as referenced in Title 21 of the City of El Paso municipal code. The ordinance is designed to create compact, walkable and mixed-use neighborhoods with a variety of transportation options, conservation of green space and local character with diverse housing options.

SmartCode Regulating Plan – means a map or set of maps that shows the transect zones, civic zones, special districts if any, and special requirements if any, thoroughfare network, and Special Requirements if any, of areas subject to, or potentially subject to, regulation by the SmartCode.

Sustainable City Centers Fund – a separate funding source intended for projects eligible for a property tax rebate under this Incentive Policy and located in a Transportation Reinvestment Zone (TRZ) or Tax Increment Reinvestment Zone (TIRZ), wherein the property tax increment has already been allocated to one of these specific reinvestment zones' funds.

Transit-Oriented Development (TOD) Overlay – the Incentive Area more fully described in Exhibit A designated in proximity to the current and planned Rapid Transit System (RTS) stations and stops located in the following six areas Five Points, Mission Valley, Glory Road, Northgate, the El Paso International Airport Southern Industrial Park (EPIA SIP), and the Medical Center of the Americas (MCA).

PROGRAM POLICY AND ELIGIBILITY CRITERIA

It is the policy of the City of El Paso that consideration for the project will be provided in accordance with the guidelines, criteria and procedures outlined in this document. This policy applies to the owners of real property. Project consideration will include the potential impact of the construction project on the immediate and surrounding area. The City of El Paso may provide incentives to a property owner if the proposed construction project meets the following criteria:

1. Be intended for the development or redevelopment of a private commercial or multi-family use property that is located within one of the six Incentive Areas as more fully described by Exhibit A; and
2. Adhere to the design guidelines outlined in the Comprehensive Plan, and more specifically, in the Urban Design Element and Community Design Manual sections of the Comprehensive Plan; and, where applicable, to the

approved SmartCode Regulating Plan and all standards specific to the transect zone applied to the individual property, and as more fully described by the SmartCode (the "Design Requirements"); and

3. Include a minimum \$200,000 investment for a new construction project or a minimum \$50,000 investment for an adaptive reuse or rehabilitation project; and
4. Demonstrate the potential to generate revenues to the City which outweigh the costs associated with the incentives; and
5. All required building permits be granted within the forty-eight (48) months from March 1, 2013.
6. Projects that include the demolition of properties zoned with a historic overlay or that are deemed historic or contributing are ineligible for the incentives described in this policy; and
7. The incentives described herein may be eligible for use in conjunction with other incentive programs such as the City's LEED grant; and
8. The applicant must provide solid evidence that demonstrates the financial stability and capacity to complete the project; such evidence may include financial statements for a corporation or tax statements for an individual; and
9. The project must be in compliance with all local, state and federal laws.

The applicant, in order to receive any such incentives from the City of El Paso will make available credible information to include, but not limited to, all appropriate and substantiating documents detailing the eligible reimbursement amount requested to enable the City to prepare a fiscal impact analysis. The applicant will update this information annually during the term of the incentives contract. The decision to provide any economic development incentives will be considered on a project-by-project basis, in accordance with the criteria set forth in this policy, and at the discretion of the City Council of the City of El Paso. In order to be eligible for incentives, property owners, to include businesses or individuals, must be current on all city taxes or any other obligation to the City.

For purposes of this section, any property in a historic district or with a historic designation shall be subject to the requirements and review provisions of Chapter 20.20 (Historic Landmark Preservation) of the City Code; conditions of this Chapter shall not be waived by any provision of this policy.

Agreements may be conditioned on the completion of specific improvements to real property. The Agreements shall contain recapture clauses in the event that such conditions are not met.

PROCEDURAL AND PROGRAM GUIDELINES

Any person, partnership, organization, corporation or other entity desiring that the City of El Paso consider providing Sustainable City Centers incentives shall be required to comply with the following procedural guidelines.

Application

Applicants shall submit a completed "Application for Sustainable City Centers Incentives" form for consideration of financial incentives to the City Development Department of the City of El Paso, Economic Development Division, 2 Civic Center Plaza, El Paso, Texas 79901.

Consideration of the Application

The City Manager or designee will consider requests for financial incentives in accordance with these policies, the Texas Tax Code, and the Texas Local Government Code. Additional information may be requested as needed. Applicants satisfying the general criteria and meeting the qualification standards will be considered.

When authorized by City Council, the City Manager, on behalf of the City, may enter into an agreement/incentives contract that outlines the terms and conditions between the City and the applicant, and governs the provision of the incentives to be provided for the project.

Inspection of the Project

During the term of such agreement, the City of El Paso will have the right to inspect the project facility during regular business hours to ensure compliance with the agreement and accuracy of the owner certification.

Recapture

If a project is not completed as specified, or if the terms of the agreement are not met, the City has the right to cancel or amend the incentive agreement, recapture any rebated tax amounts, and rebated tax amounts shall become due to the City.

TYPES OF DIRECT FINANCIAL INCENTIVES AVAILABLE

Construction Materials Sales and Use Tax Rebate

The Construction Materials Sales and Use Tax Rebate is an economic development tool designed to provide incentives for transit-oriented development within the Incentive Area. The applicant may be eligible for a 100% rebate of the City's portion of the sales and use tax collected on the purchase of materials and labor with a minimum expenditure of \$50,000. This incentive will be delivered by execution of a Chapter 380 Agreement, and is contingent on the satisfaction of all previously listed program policy and eligibility criteria.

Property Tax Rebate

The City's portion of the incremental ad valorem property taxes collected over the base year value may be rebated to the property owner according to the following:

- A. For a New Construction project satisfying all previously listed program policy and eligibility criteria, the applicant may be eligible for:
 - 1. A 5 year, 100 percent rebate of the City's portion of the incremental ad valorem property taxes collected over the base year value for projects located within the Five Points, Mission Valley, Glory Road, Northgate or El Paso International Airport Southern Industrial Park Incentive Area; or
 - 2. A 7 year, 100 percent rebate of the City's portion of the incremental ad valorem property taxes collected over the base year value for projects located in the Medical Center of the Americas Incentive Area.

- B. For a Reuse or Rehabilitation project satisfying all previously listed program policy and eligibility criteria and with an investment value of over \$50,000, the applicant may be eligible for:
 - 1. A 5 year, 100 percent rebate of the City's portion of the incremental ad valorem Property Tax collected over the base year value for projects located within the Five Points, Mission Valley, Glory Road, Northgate or El Paso International Airport Southern Industrial Park Incentive Area; or
 - 2. A 7 year, 100 percent rebate of the City's portion of the incremental ad valorem Property Tax collected over the base year value for projects located in the Medical Center of the Americas Incentive Area.

Ad valorem property tax rebate is only available to properties from which the City receives ad valorem taxes, with the exception that such taxes collected on properties

located in a Transportation Reinvestment Zone (TRZ) or a Tax Increment Reinvestment Zone (TIRZ) may not be diverted from these zones' funds. Notwithstanding the foregoing, such properties may be eligible for an amount equivalent with the portion of the property tax increment eligible for rebate under this Incentive Policy, subject to the availability of such monies in the Sustainable City Centers Fund.

The base year used for the calculation of the property tax rebate incentive will be the year of contract execution. This incentive will be delivered by execution of a standard Chapter 380 Agreement, as approved by the City Attorney.

Ground Floor Retail Sales & Use Tax Rebate

The City's portion of collected sales and use tax may be rebated to the applicant according to the following and is contingent on the satisfaction of all previously listed program policy and eligibility criteria:

1. A 5 year, 50 percent rebate of the City's portion of sales and use taxes collected on ground floor, street oriented retail operations within the Five Points, Mission Valley, Glory Road, Northgate, and El Paso International Airport Southern Industrial Park Incentive Area; or
2. A 7 year, 50 percent rebate of the City's portion of sales and use taxes collected on ground floor, street oriented retail operations located in the Medical Center of the Americas Incentive Area.

Eligibility for this incentive is subject to the City's receipt of waivers of confidentiality of sales and use tax payments from the applicant's retail tenants.

TERM OF FINANCIAL INCENTIVES

The availability of financial incentives under this Policy shall remain in effect for four (4) years from March 1, 2013.

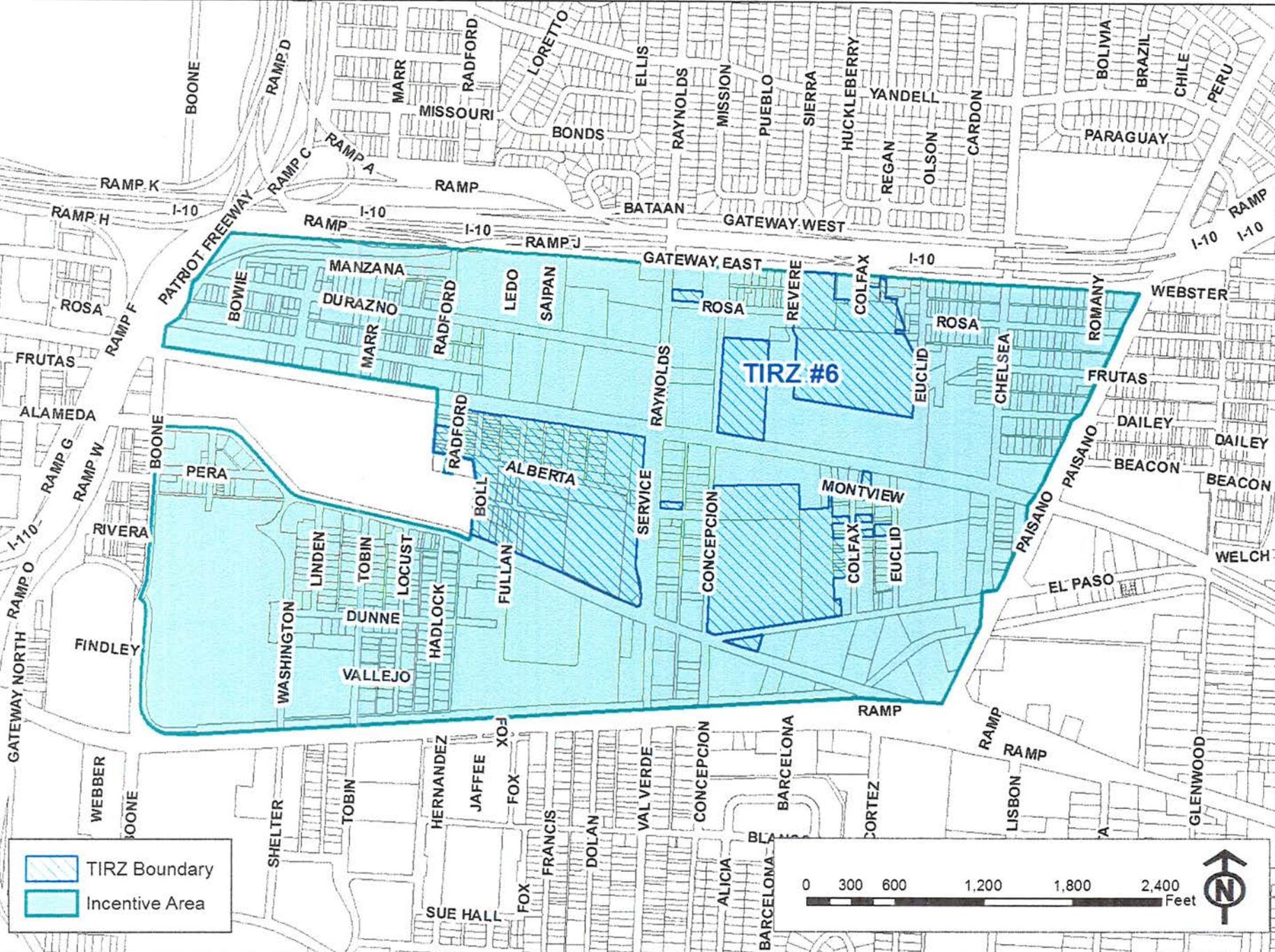
SUPPLEMENTAL BENEFITS AVAILABLE TO PROMOTE TRANSIT-ORIENTED DEVELOPMENT

Building Construction Fee Waivers

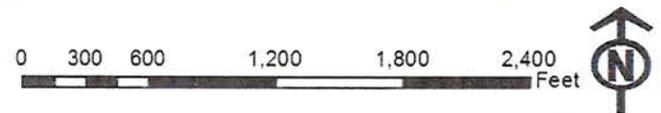
If the City Council approves by ordinance the reduction or the waiver of building construction fees and planning fees associated with transit-oriented development within the Incentive Area, the Economic Development Division will implement the Building Construction Fee Waiver Program approved by City Council for the purpose of providing eligible property owners an opportunity to apply for an exemption from

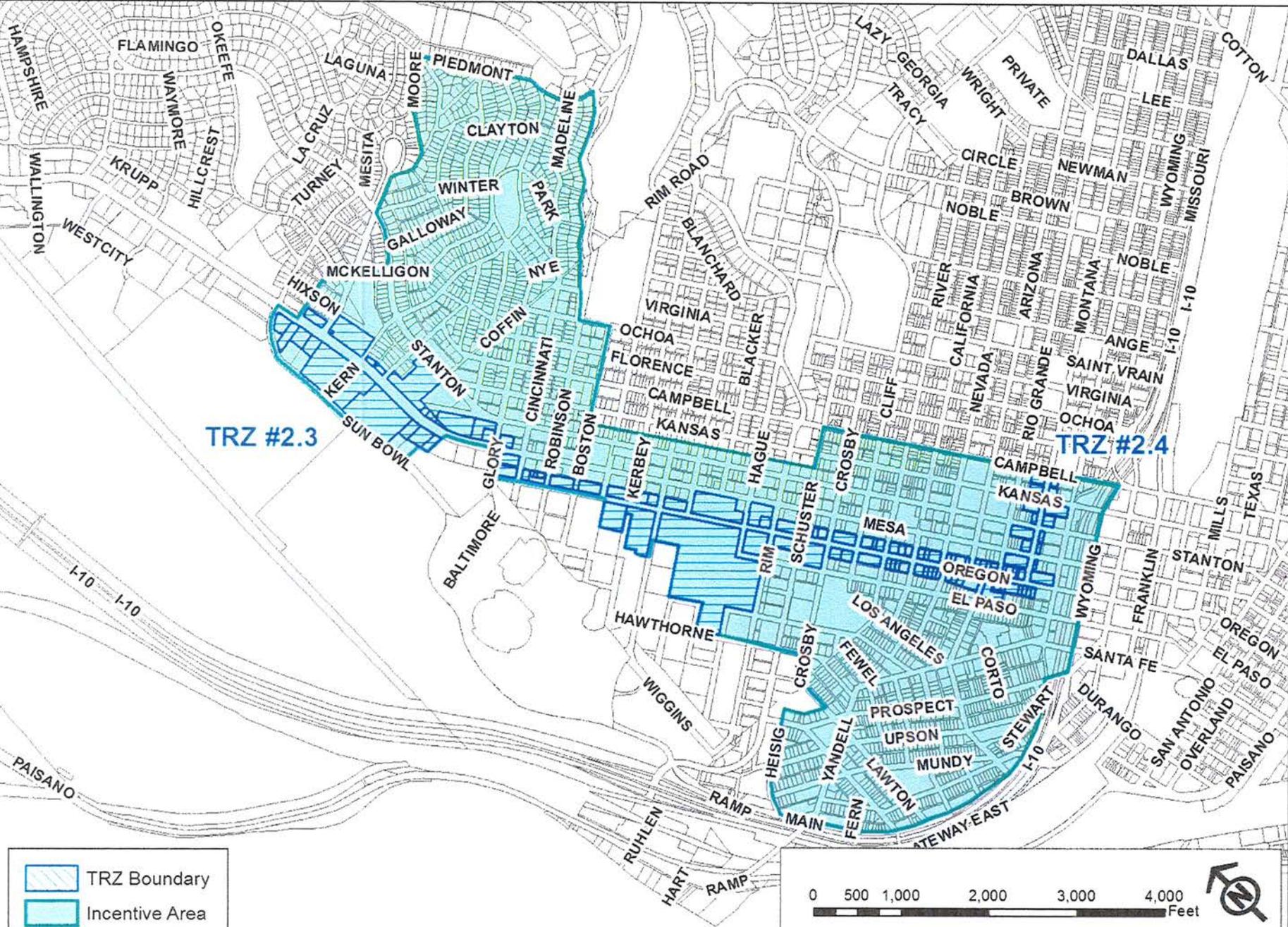
planning and building fees associated with new construction or renovation and occupancy of such facilities. If the eligibility criteria of this program and this incentive policy are met, then 100% of the certain development fees will be waived based on the fee schedule established in the ordinance or other appropriate resolution of Council, but in no event will the total fee waiver amount exceed \$10,000.

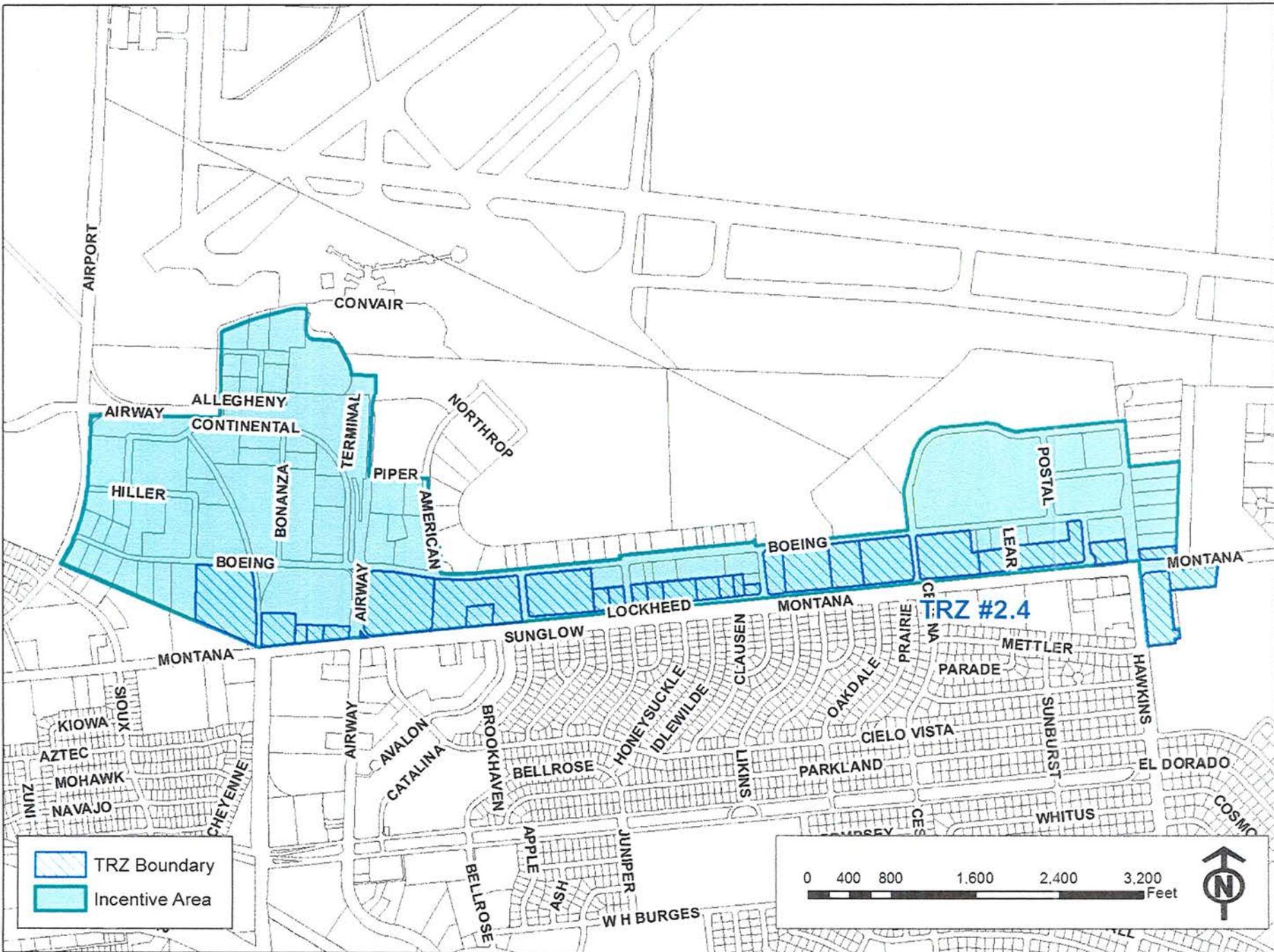
Exhibit A



 TIRZ Boundary
 Incentive Area









Amendments: Sustainable City Centers & Downtown New Construction Incentives

February 19, 2012



LOVE EL PASO.
PLAN EL PASO.
PLAN THE FUTURE. NOW.



Sustainable City Centers Incentive (Overview)

Eligibility Criteria:

- Be intended for the development or redevelopment of a private commercial or multi-family use property that is located within one of the six Incentive Areas.
- Adhere to the design guidelines outlined in the Comprehensive Plan.
- Include a minimum \$200,000 investment for a new construction project or a minimum \$50,000 investment for an adaptive reuse or rehabilitation project.



Sustainable City Centers Incentive (Overview)

Incentives Available

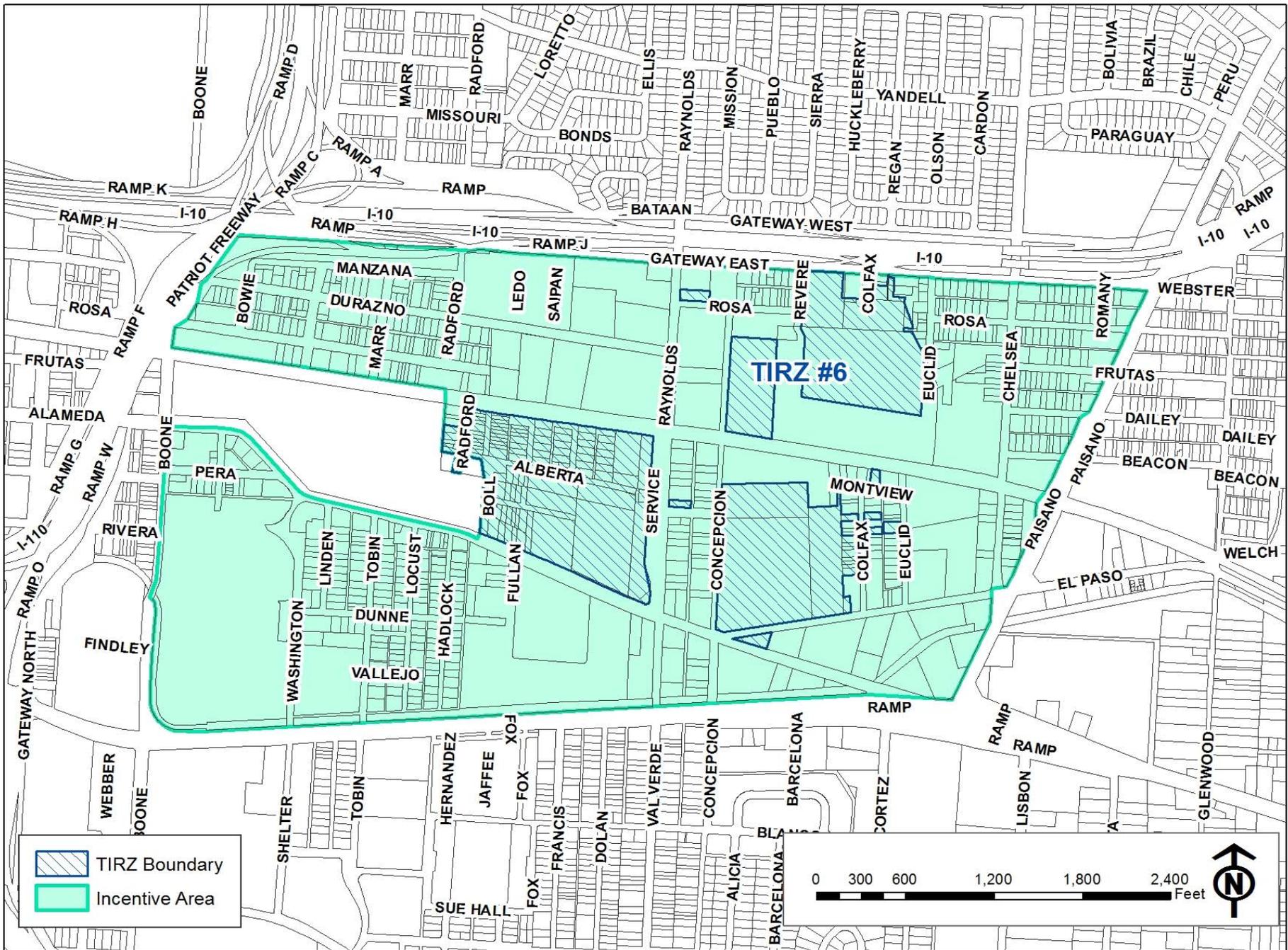
- Construction materials sales and use tax rebate
- Property tax rebate
- Ground floor retail sales and use tax rebate
- Building construction fee waiver (Supplemental)

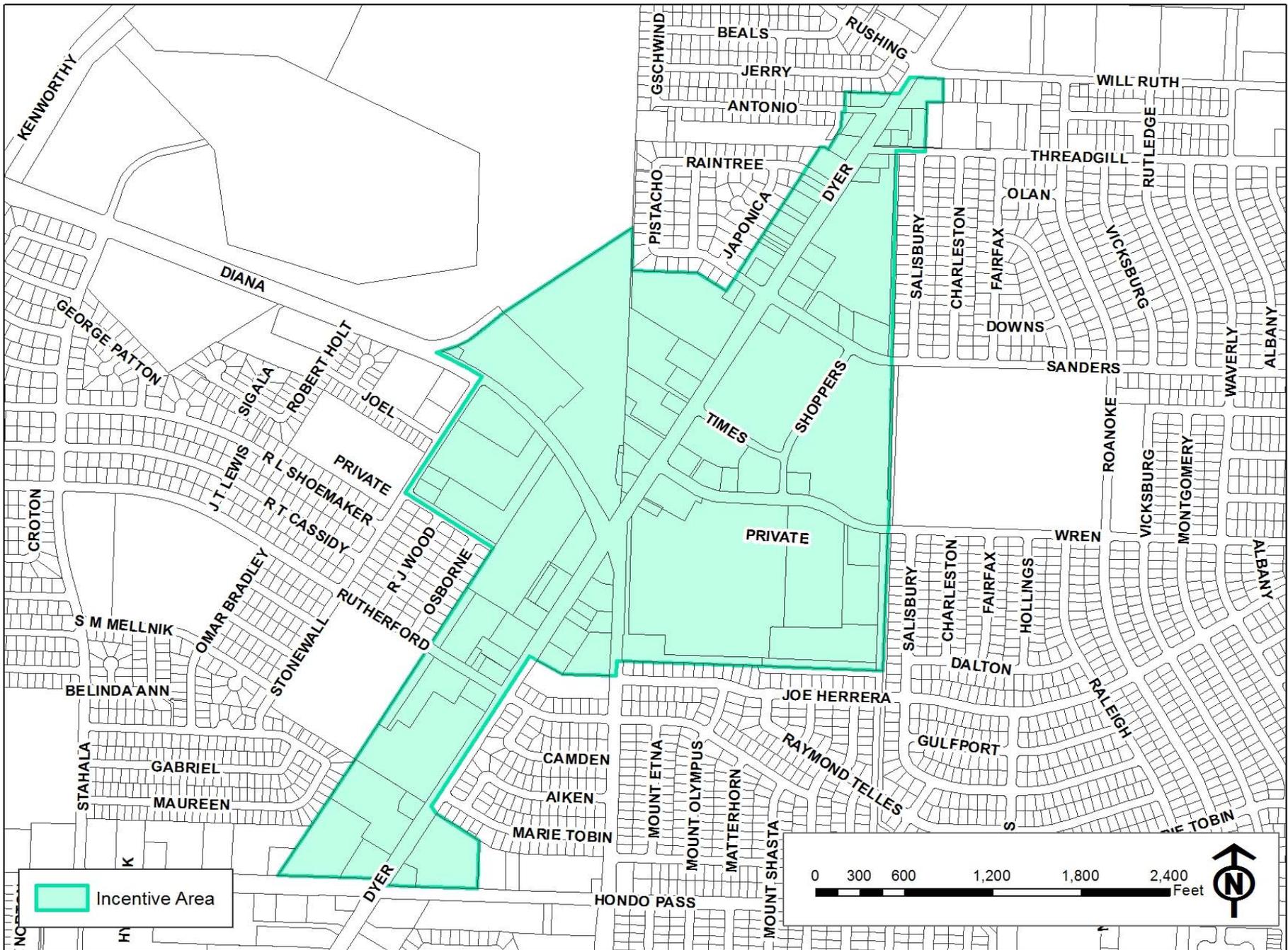


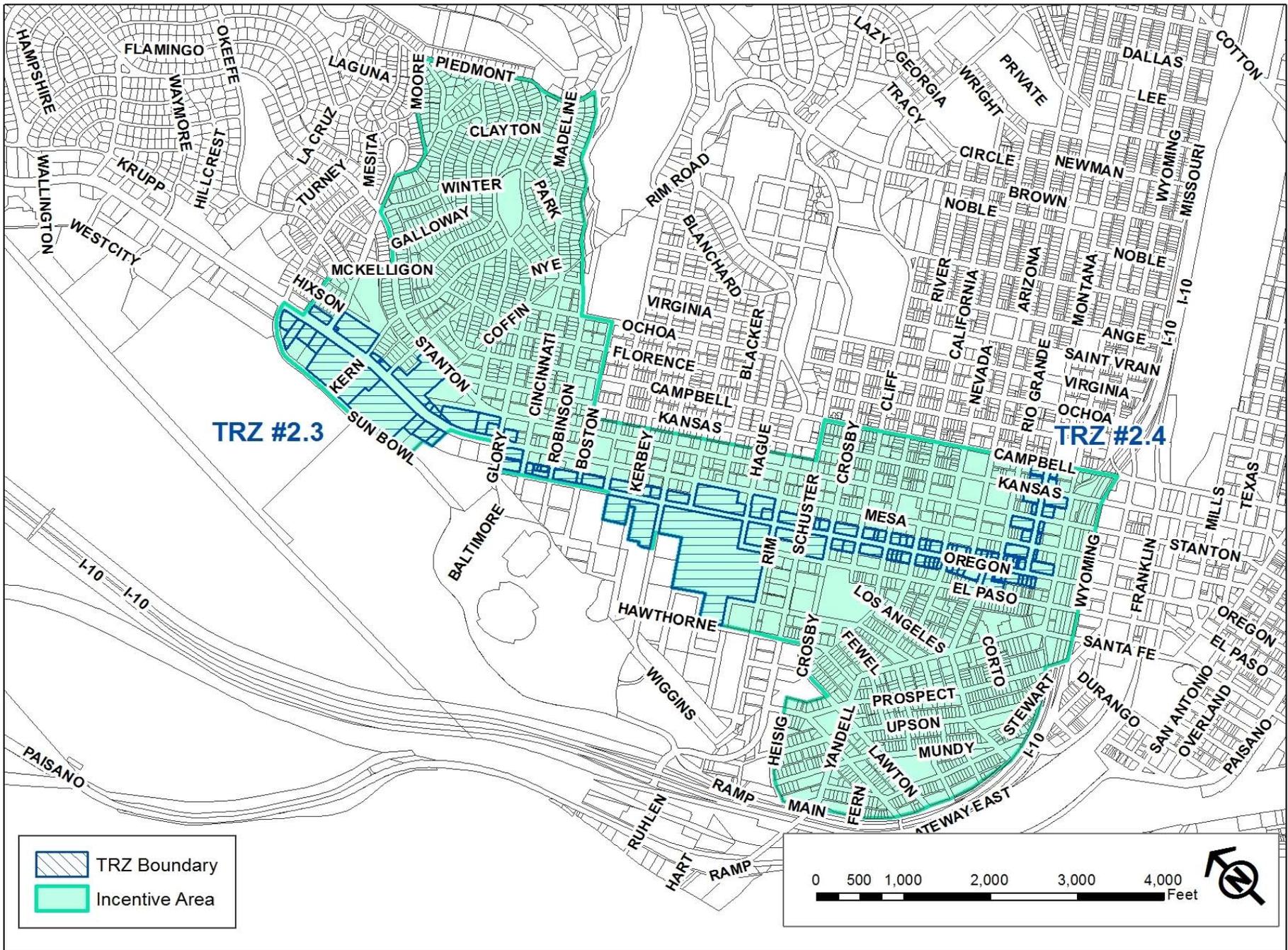
Sustainable City Centers Incentive

Amendments

- Creation of Sustainable City Centers Fund
- Extend the term of the Incentive Policy
- Revise incentive maps to add additional Incentive Area (El Paso International Airport Southern Industrial Park.)
- Revised incentive maps to expand existing Incentive Area.
- Clarification of verbiage throughout Incentive Policy







TRZ #2.3

TRZ #2.4

-  TRZ Boundary
-  Incentive Area

0 500 1,000 2,000 3,000 4,000 Feet





New Construction Downtown Incentive (Overview)

Eligibility Criteria

- Private commercial or multi-family property that includes investment in new construction or renovation located in incentive area.
- Projects must meet the design guidelines outlined in Plan El Paso and meet the following investment criteria:
 - New Construction: Min. 3 stories in height and min. of 75,000 feet
 - Renovation Projects: Min. \$250,000 investment

Additional requirements may apply.



New Construction Downtown Incentive (Overview)

Incentives Available

- Property tax rebates
- Ground floor retail sales and use tax rebate (Additional)



New Construction Downtown Incentive

Amendments

- Creation of Sustainable City Centers Fund
- Extend the term of the Incentive Policy
- Reduce Minimum Construction Requirement
- Clarify the minimum investment amount for renovation and new construction;
- Made the Incentive Policy more attractive to multi-use developers by increasing financial incentives available.
- Revised incentive map for the City to expand Incentive Area
- Clarification of verbiage throughout Incentive Policy



**Thank you.
Questions?**