

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

DEPARTMENT: Economic Development
AGENDA DATE: Introduction: March 31, 2009 (Regular)
Public Hearing: April 7, 2009 (Regular)
CONTACT PERSON/PHONE: Kathryn B. Dodson, (915) 541-4670
DISTRICT(S) AFFECTED: 8

SUBJECT:

Discussion and Action on an Ordinance amending the Final Project Plan and Final Reinvestment Zone Financing Plan for Tax Increment Reinvestment Zone Number Five, City of El Paso, Texas; Adopting said amendments as required by section 311.011(E) Texas Tax Code; Also providing a severability clause. (District 8)
[Economic Development, Kathryn B. Dodson, (915) 541-4670]

BACKGROUND/DISCUSSION:

The Final Project Plan and Final Reinvestment Zone Financing Plan for Tax Increment Reinvestment Zone No. 5 was adopted by City Council Ordinance No. 017081 on March 10, 2009. The document is formatted to allow for incorporation of projects via an amendment process. Projects included can be funded with Tax Increment Revenue Funds once amended into the plans. The Reinvestment Zone Board has identified two projects that it is recommending be funded with Tax Increment Revenue Funds and therefore be added to the final plans via the amendment process. The two projects are: Project No. 1: Commercial Façade Improvement Grant Program and Project No. 2: First Avenue Lofts (Mixed-Use Residential). Descriptions of these projects are attached in the back-up documentation.

PRIOR COUNCIL ACTION:

Has the Council previously considered this item or a closely related one? Final Project Plan and Final Reinvestment Zone Financing Plan adopted by Ordinance No. 017081 on March 10, 2009.

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? Item will be funded from existing TIRZ Fund Account No. 502215 / 07412 / 72153041 / 72000 (TIRZ No. 5 Fund). Project No.1 will be funded in the amount of \$32,000 while Project No. 2 will be funded in the amount of \$28,000.

BOARD/COMMISSION ACTION:

Tax Increment Reinvestment Zone recommended unanimous approval on February 12, 2009

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

LEGAL: (if required) *Maree O'Brien* **FINANCE:** (if required) *Carmen Anieta Andelaua*

DEPARTMENT HEAD: *[Signature]*
(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:** _____

ORDINANCE NO. _____

AN ORDINANCE AMENDING THE FINAL PROJECT PLAN AND FINAL REINVESTMENT ZONE FINANCING PLAN FOR TAX INCREMENT REINVESTMENT ZONE NUMBER FIVE, CITY OF EL PASO, TEXAS; ADOPTING SAID AMENDMENTS AS REQUIRED BY SECTION 311.011(E) TEXAS TAX CODE; ALSO PROVIDING A SEVERABILITY CLAUSE

WHEREAS, by City of El Paso Ordinance No. 016528, adopted December 19, 2006, later amended by Ordinances Nos. 016803 and 016804 on December 18, 2007, the City created Tax Increment Reinvestment Zone Number Five, City of El Paso, Texas (the “Zone”) in accordance with the Tax Increment Financing Act (the “Act”) for the purposes of development within the Redevelopment Districts in the Downtown 2015 Plan through the use of tax increment financing; and

WHEREAS, pursuant to Section 311.011(a) of the Act the Board of Directors (the “Board”) of the Zone adopted the Final Project Plan and Final Reinvestment Zone Financing Plan on February 12, 2009; and

WHEREAS, on March 10, 2009, by Ordinance No. 017081, pursuant to Section 311.011(d) of the Act, the City Council approved the Final Project Plan and Final Reinvestment Zone Financing Plan after their adoption by the Board; and

WHEREAS, the Board continues to support the City in development activities for the Zone and actively participates in planning and identifying potential Zone projects; and

WHEREAS, on February 12, 2009, the Board adopted an amendment to the Final Project Plan and Final Reinvestment Zone Financing Plan to include the following projects: Project No. 1: Commercial Façade Improvement Grant Program and Project No. 2: First Avenue Lofts (Mixed-Use Residential), as approved proposed projects eligible for tax increment finance funds under the plans; and

WHEREAS, pursuant to Section 311.011(e) of the Act, the Board may adopt amendments to the plans consistent with the requirements and limitations of the Act, which become effective when approved by the governing body of the municipality by a duly authorized ordinance; and

WHEREAS, the City desires to amend the Final Project and Final Reinvestment Zone Financing Plans as approved by the Board, in support of community revitalization and economic development within the Zone; and

WHEREAS, it is 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

subject of said meeting was given all as required by Chapter 551, Texas Government Code; and

WHEREAS, the City Council, as the governing body of the City, approves the amendments to the Final Project Plan and Final Reinvestment Zone Financing Plan, as evidenced by this Ordinance.

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

1. That the Final Project Plan and Final Reinvestment Zone Financing Plan are hereby amended in the manner set forth below:

- A. The Final Project Plan is amended to incorporate the following projects to the list of approved proposed projects eligible for tax increment finance funds of the Zone, which will be allocated to said projects as described herein:

Project No. 1: Commercial Façade Improvement Grant Program.
Amount: \$32,000

The purpose of the Commercial Façade Improvement Grant Program is to provide grant funding to existing business property owners or lessees to encourage renovation and rehabilitation of the exterior of buildings in the Zone. This program aims to improve the aesthetics within the Zone as attractive building façades positively impact the marketability and perception of the area. The Program consists of a one-dollar to one-dollar match for approved improvements. Reimbursement grants will be awarded for façade improvements that restore, preserve, rehabilitate, enhance or beautify a structure. Eligible improvements include:

- Signs (new, repairs, replacement, removal)
- Grate and grate box removal or conversion of solid grates to an open mesh style
- Awnings
- Lighting
- Paint
- Removal/replacement of inappropriate or incompatible exterior finishes or materials
- Recessing/reconfiguring entrances
- Removal of extraneous elements
- Door/window replacement or repair
- Exterior cleaning
- Historical architectural elements

By separate formal action, City Council will adopt Commercial Façade Improvement Grant Program requirements and guidelines that will govern administration and implementation of the Program by City staff.

Project No. 2: First Avenue Lofts Project (Mixed Use Residential).
Amount: \$28,000

Located at 300 S. Florence El Paso, Texas, the First Avenue Lofts Project consists of the adaptive reuse of an old warehouse building into a mixed-use development project with retail at the ground floor and eight dwelling units described as upscale lofts in the upper floors. The project developer is The El Paso Project, LLC. The conversion of the warehouse will necessitate public improvements in the sidewalk area; there are currently no sidewalks along one side of the building. The improvements include installation of the sidewalk, street lighting and related amenities in the public right of way.

Public improvement costs that will be eligible for reimbursement through the use of tax increment finance funds of the Zone are: installation, extension and/or renovation of sidewalks and abutting improvements to the adjacent street, and the construction of other public improvements including streetscape improvements and amenities such as street lighting.

This amendment to the Final Project Plan does not constitute a contractual or financial obligation to the project developer, but merely indicates the City's intent to continue the project development and negotiation process. By separate formal action, the City Council will consider execution of a Development Agreement by and between the City and the project developer to govern the contractual and financial obligations of the parties related to construction of the public infrastructure improvements and reimbursement of eligible project costs through the use of tax increment finance funds of the Zone.

- B. The Final Reinvestment Zone Financing Plan is hereby amended to reflect the addition of the projects identified in Section A above to the list of approved proposed projects eligible for tax increment finance funding of the Zone.

2. That the amendments to the Final Project Plan and Final Reinvestment Zone Financing Plan for Tax Increment Reinvestment Zone Number Five, City of El Paso, Texas, are hereby determined to be feasible and in conformity with the City's master plan and said amendments are hereby approved.

3. That the statements set forth in the recitals of this Ordinance are declared to be true and correct and are incorporated as part of this Ordinance.

4. That the provisions of this Ordinance are severable. If any provision of this Ordinance or the application thereof to any circumstances shall be held to be invalid or unconstitutional, the remainder of this Ordinance shall nevertheless be valid.

5. That this Ordinance shall be in full force and effect upon the date of its passage by City Council.

PASSED, APPROVED AND ADOPTED this ___ day of _____, 2009.

CITY OF EL PASO

John F. Cook
Mayor

ATTEST:

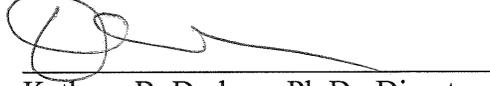
Richarda Duffy Momsen
City Clerk

APPROVED AS TO FORM:



Marie A. Taylor
Assistant City Attorney

APPROVED AS TO CONTENT:



Kathryn B. Dodson, Ph.D., Director
Economic Development Department

CITY CLERK DEPT.

09 MAR 30 AM 10:37

ORDINANCE NO. 017081

AN ORDINANCE APPROVING THE FINAL PROJECT PLAN AND FINAL REINVESTMENT ZONE FINANCING PLAN FOR TAX INCREMENT REINVESTMENT ZONE NUMBER FIVE, CITY OF EL PASO, TEXAS.

WHEREAS, by City of El Paso Ordinance No. 016528, adopted December 19, 2006, later amended by Ordinances Nos. 016803 and 016804 on December 18, 2007, the City created Tax Increment Reinvestment Zone Number Five, City of El Paso, Texas (the "Zone") for the purposes of development within the Redevelopment Districts in the Downtown 2015 Plan; and

WHEREAS, the Board of Directors of Tax Increment Reinvestment Zone Number Five on February 12, 2009, adopted the Final Project Plan and Final Reinvestment Zone Financing Plan attached hereto and incorporated herein for the development of Tax Increment Reinvestment Zone Number Five; and

WHEREAS, Section 311.011(d) of the Tax Increment Financing Act, Chapter 311, Texas Tax Code, requires that the City Council approve by ordinance the Final Project Plan and Final Reinvestment Zone Financing Plan after its adoption by the Board of Directors for the Zone; and

WHEREAS, it is hereby officially found and determined that the meeting at which this Ordinance is 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. That the statements set forth in the recitals of this Ordinance are declared to be true and correct and are hereby adopted as part of this Ordinance.

Section 2. That the Final Project Plan and the Final Reinvestment Zone Financing Plan attached hereto and incorporated herein for Tax Increment Reinvestment Zone Number Five, City of El Paso, Texas, are hereby determined to be feasible and in conformity with the City's master plan and said plans are hereby approved.

Section 3. That the City Clerk is directed to provide copies of the Final Project Plan and Final Reinvestment Zone Financing Plan to each taxing unit levying ad valorem taxes in the Zone.

CITY CLERK DEPT.
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Section 4. That this Ordinance shall be in full force and effect upon the date of its passage by City Council.

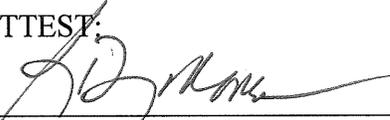
PASSED, APPROVED AND ADOPTED this 10th day of March, 2009.

CITY OF EL PASO



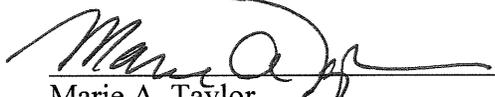
John F. Cook
Mayor

ATTEST:



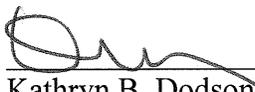
Richard Duffy Momsen
City Clerk

APPROVED AS TO FORM:



Marie A. Taylor
Assistant City Attorney

APPROVED AS TO CONTENT:



Kathryn B. Dodson, Ph.D., Director
Economic Development Department



Amending
Final Project Plan
and
Final Financing Plan
Reinvestment Zone No. 5
to include Projects 1 & 2



Background

- The Downtown 2015 Plan was adopted by City Council on October 31, 2006
- The Tax Increment Reinvestment Zone (TIRZ) No. 5 was created on December 19, 2006 and was one of the first implementation actions for the Downtown 2015 Plan
- Final Project Plan and Final Reinvestment Zone Financing Plan adopted by City Council March 10, 2009

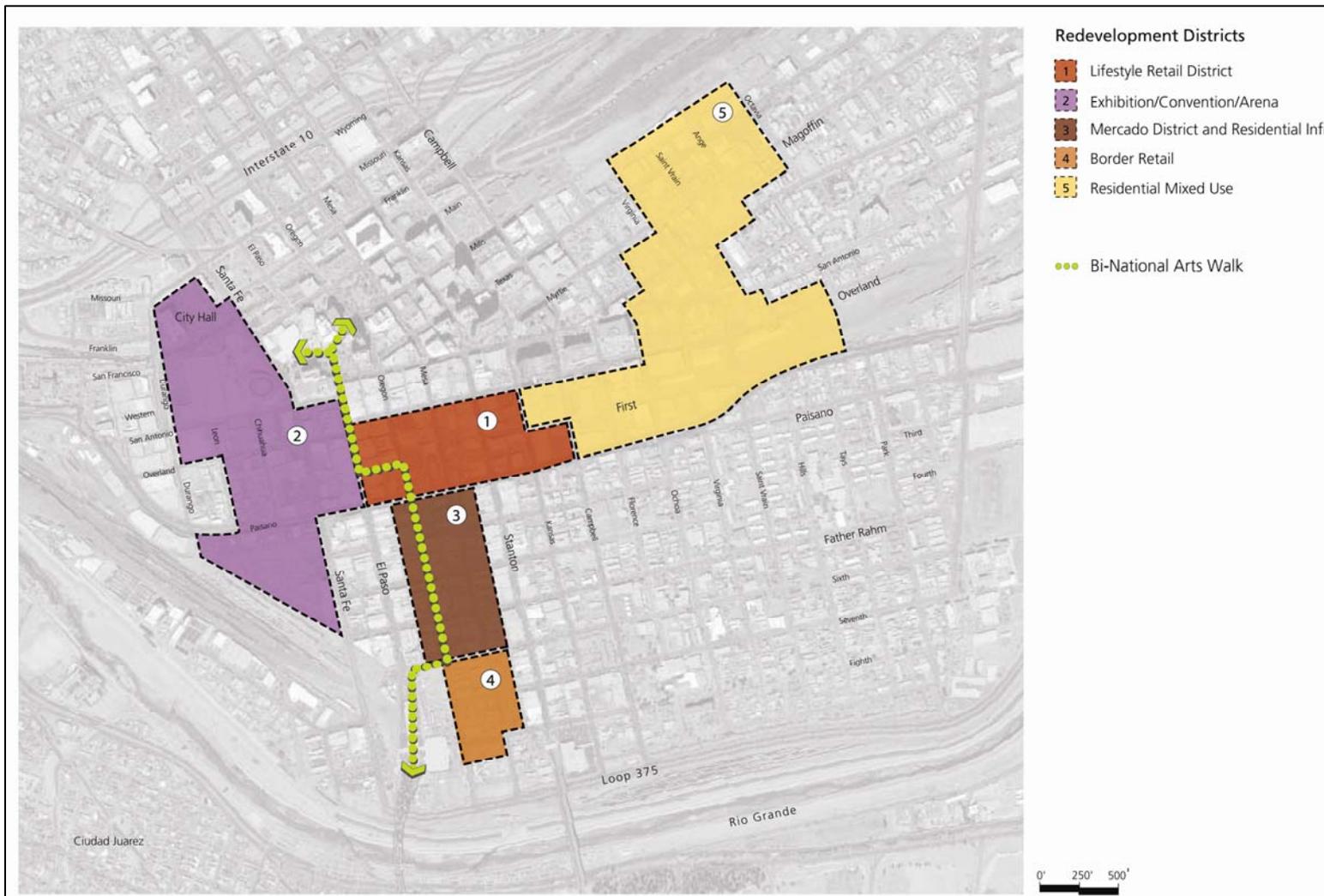


Eligible Expenses Per Final Project and Financing Plans

- Section III
- **B. Estimated Project Costs Section 311.011(c)(1)**
- The eligible public infrastructure improvements and related capital costs include the construction of streets, sidewalks, drainage, sewer and water utilities, public parks, other public improvements, a façade improvement program throughout the Zone as well as administrative costs

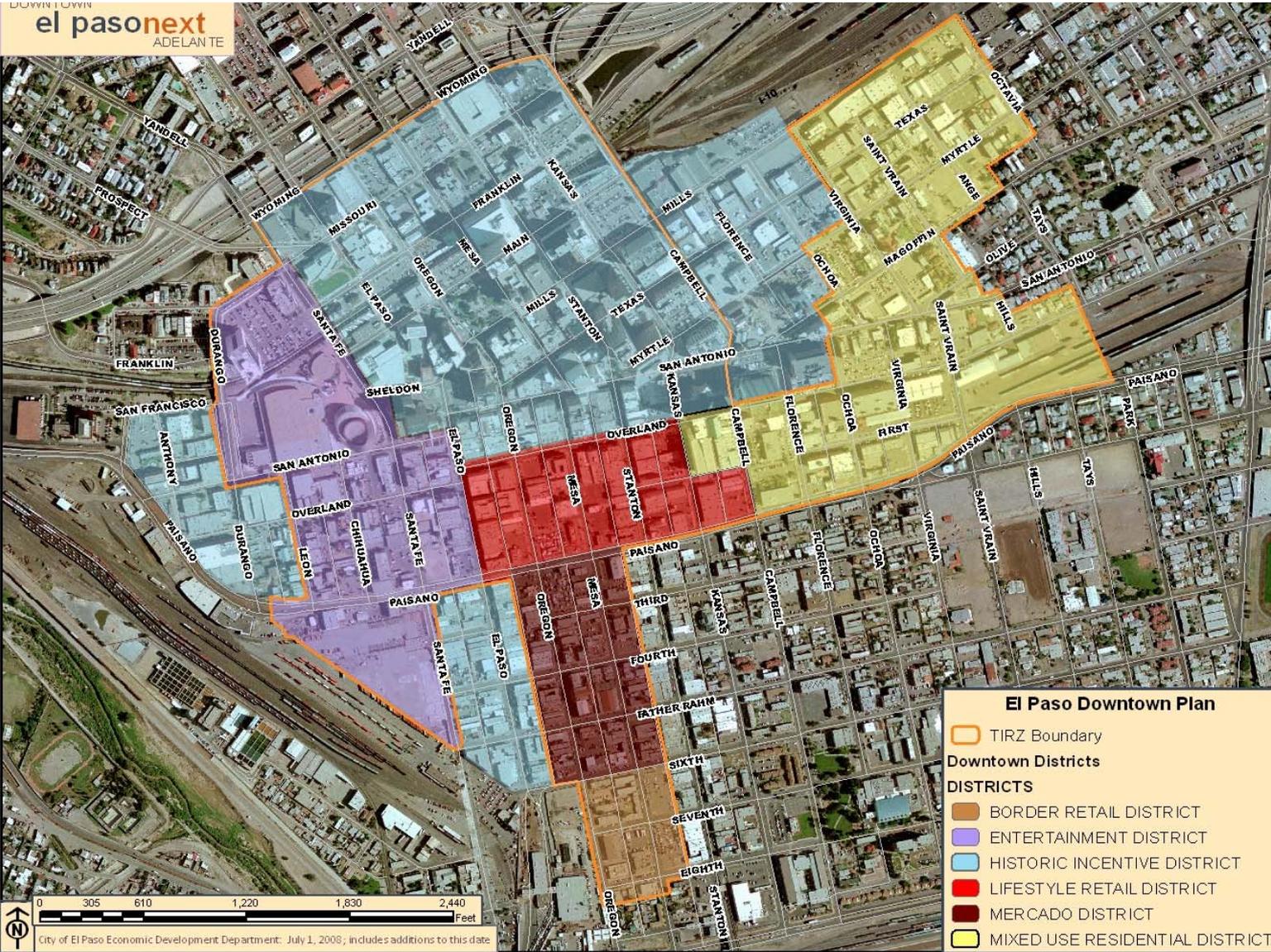


Original Reinvestment Zone Boundary





Expanded Boundary





Project #1: Commercial Façade Improvement Program

- A grant program for tenants or property owners within the downtown plan area who make improvements to the facades of properties within the eligible area
- A dollar-for-dollar match grant up to a maximum grant of \$10,000
- Pre-application required



Project #1: Commercial Façade Improvement Program

- Pilot program in 2007 was jointly funded by the Downtown Management District (DMD) and the City
- Thirteen (13) facades were approved and funded under the pilot project using \$100,000
- A Review Committee reviews and approves applications. Members include: DMD, Economic Development, Historic Preservation Officer, Building Permits & Inspection & Planning staff
- Requesting funds to continue program given the success of the pilot program



13 Projects Funded in 2007 under the Pilot Program





216 E. Overland, \$10,000



Before



After



315 S. El Paso, \$10,000



Before –
note bricked
up windows

After –
Note new
windows





701 Texas Avenue
\$4,109



106 E. San Antonio
\$6,010

504 W. San Antonio, \$20,000



Before



After



304 E. Overland, \$4,250



Before



After



Project #2: First Ave. Lofts (Residential Mixed Use)

- \$2.2 million project
- Adaptive re-use of a vacant Trost warehouse building
- Nine residential units
- Two units already pre-sold
- 4,200 square feet of retail space
- 600 square feet pre-leased



Project #2: First Ave. Lofts (Residential Mixed Use)

- \$28,000 for addition of sidewalks, street lighting, and related amenities
- Finished product will include rooftop terrace

